

CRAVATH, SWAIN & MOORE

ONE CHASE MANHATTAN PLAZA

NEW YORK, N.Y. 10005

212 HANOVER 2-3000

TELEX

RCA 233663

WUD 125547

WUI 620976

9761

Filed 1425

OCT 1 1978

INTERSTATE COMMERCE COMMISSION

FEE OPERATION SR.
I.C.C.

9761-A

October 6, 1978

MAURICE T. MOORE
BRUCE BROMLEY
WILLIAM B. MARSHALL
RALPH L. McAFEE
ROYALL VICTOR
ALLEN H. MERRILL
HENRY W. DE KOSMIAN
ALLEN F. MAULSBY
STEWART R. BROSS, JR.
HENRY P. RIORDAN
JOHN R. HUPPER
SAMUEL C. BUTLER
WILLIAM J. SCHRENK, JR.
BENJAMIN F. CRANE
FRANCIS F. RANDOLPH, JR.
JOHN F. HUNT
GEORGE J. GILLESPIE, III
RICHARD S. SIMMONS
WAYNE E. CHAPMAN
THOMAS D. BARR
MELVIN L. BEDRICK
GEORGE T. LOWY
ROBERT ROSENMAN

JAMES H. DUFFY
ALAN J. HRUSKA
JOHN E. YOUNG
JAMES M. EDWARDS
DAVID G. ORMSBY
DAVID L. SCHWARTZ
RICHARD J. HIEGEL
FREDERICK A. O. SCHWARZ, JR.
CHRISTINE BESHAR
ROBERT S. RIFKIND
DAVID O. BROWNWOOD
PAUL M. DODYK
RICHARD M. ALLEN
THOMAS R. BROME
ROBERT D. JOFFE
ROBERT F. MULLEN
ALLEN FINKELSON
RONALD S. ROLFE
JOSEPH R. SAHID
PAUL C. SAUNDERS
MARTIN L. BENZEL
DOUGLAS D. BROADWATER
ALAN C. STEPHENSON

9761-B

No.

Date OCT 13 1978

Fee \$110.00

ICC Washington, D. C.

Celanese Corporation Lease Financing Dated as of September 1, 1977

Dear Sir:

Pursuant to Section 20c of the Interstate Commerce Act and the Commission's rules and regulations thereunder, as amended, I enclose herewith on behalf of Celanese Corporation for filing and recordation counterparts of the following documents:

1. Equipment Lease dated as of September 1, 1977, between First Security Bank of Utah, N.A., as Trustee, and Celanese Corporation, as Lessee.
2. (a) Trust Indenture dated as of October 1, 1976, between First Security Bank of Utah, N.A., as Owner Trustee, and United States Trust Company of New York, as Trustee.
(b) Supplemental Indenture dated as of September 1, 1977, between First Security Bank of Utah, N.A., as Owner Trustee, and United States Trust Company of New York, as Trustee.

The names and addresses of the parties to the aforementioned Agreements are as follows:

Handwritten signature: David R. [unclear]

(1) Trustee--Indenture Trustee--Mortgagee:

United States Trust Company of New York,
130 John Street,
New York, N. Y. 10038

(2) Trustee--Owner Trustee--Lessor--Mortgagor:

First Security Bank of Utah, N.A.,
P. O. Box 3007,
Salt Lake City, Utah 84125.

(3) Lessee:

Celanese Corporation,
1211 Avenue of the Americas,
New York, N. Y. 10036

Please file and record the documents referred to in this letter and cross-index them under the names of the Trustee--Indenture Trustee--Mortgagee, the Trustee--Owner Trustee--Lessor--Mortgagor, and the Lessee.

Please also cross-index this filing under the name of:

Itel Corporation, Rail Division,
Two Embarcadero Center,
San Francisco, California 94111.

whose identifying numbers appear on the equipment solely for maintenance purposes.

The equipment covered by the aforementioned documents consists of the following:

Eighty (80) 100-Ton Open-Top Hopper Cars (AAR Mechanical Designation: HTS) bearing Itel Corporation, Rail Division identifying numbers SSIX 5002 through SSIX 5081, both inclusive.

There is also enclosed a check for \$110 payable to the Interstate Commerce Commission, representing the fee for recording the Equipment Lease and the Trust Indenture as supplemented by the Supplemental Indenture.

Please stamp all counterparts of the enclosed

documents with your official recording stamp. You will wish to retain one copy of the instruments for your files. It is requested that the remaining counterparts be delivered to the bearer of this letter.

Very truly yours,

A handwritten signature in dark ink, appearing to read "David C. Spialter". The signature is fluid and cursive, with a prominent initial "D".

David C. Spialter
As Agent for Celanese Corporation

H. G. Homme, Esq., Acting Secretary,
Interstate Commerce Commission,
Washington, D. C. 20423

Encls.

7N

BY HAND

Interstate Commerce Commission
Washington, D.C. 20423

10/13/

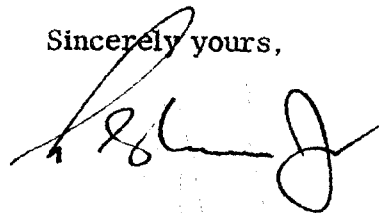
OFFICE OF THE SECRETARY

David C. Spialter
Cravath Swaine & Moore
One Chase Manhattan Plaza
New York, N.Y. 10005

Dear Sir:

The enclosed document(s) was recorded pursuant to the
provisions of Section 20(c) of the Interstate Commerce Act,
49 U.S.C. 20(c), on 10/13/78 at 1:40pm
and assigned recordation number(s) 9761, 9761-A & 9761-B

Sincerely yours,



H.G. Homme, Jr.,
Acting Secretary

Enclosure(s)

SE-30-T
(2/78)

Interstate Commerce Commission
Washington, D.C. 20423

8/30/82

OFFICE OF THE SECRETARY

**Laurance V. Goodrich
Cravath, Swaine & Moore
One Chase Manhattan Plaza
New York, N.Y. 10005**

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **8/30/82** at **2:30pm**, and assigned re-
recording number(s). **9761-E**

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

9761
RECORDATION NO. 9761 Form 1428

OCT 13 1978 1 42 PM

INTERSTATE COMMERCE COMMISSION

EQUIPMENT LEASE

Dated as of September 1, 1977

Between

FIRST SECURITY BANK OF UTAH, N.A.
not in its individual capacity,
but solely as trustee under a
Master Trust Agreement dated as of
October 1, 1976 between it and
Itel Capital Services Corporation,
as Lessor

and

CELANESE CORPORATION,
as Lessee

Table of Contents

<u>Section</u>	<u>Subject</u>	<u>Page</u>
Section 1	Definitions; Construction of References	1
Section 2	Lease of Equipment	3
Section 3	Term and Rent	3
Section 4	Net Lease	4
Section 5	Return of Equipment	5
Section 6	Warranties of the Lessor	5
Section 7	Liens	6
Section 8	Taxes	6
Section 9	Use, Maintenance and Operation; Identifying Marks	7
Section 10	Inspection	9
Section 11	Loss or Destruction; Requisition of Use	9
Section 12	Insurance	11
Section 13	Indemnification	12
Section 14	Sublease	13
Section 15	Tax Indemnification	13
Section 16	Events of Default	16
Section 17	Remedies	17
Section 18	Voluntary Termination	18
Section 19	Right of First Refusal	19
Section 20	Representations, Warranties and Covenants of the Lessee	20
Section 21	Notices	22
Section 22	Amendments and Miscellaneous	23

Exhibit

Subject

Exhibit A	Description of Equipment
Exhibit B	Form of Certificate of Acceptance
Exhibit C	Specific Terms
Exhibit D	Casualty and, if applicable, Termination Values

EQUIPMENT LEASE

THIS EQUIPMENT LEASE, dated as of the date set forth in Exhibit C hereto (the Lease), between FIRST SECURITY BANK OF UTAH, N.A., a national banking association, not in its individual capacity, but solely as trustee (the Lessor) under a Master Trust Agreement dated as of October 1, 1976 between it and Itel Capital Services Corporation, and the entity named as "Lessee" on the signature page hereof (the Lessee).

W I T N E S S E T H :

SECTION 1. Definitions; Construction of References.

In this Lease, unless the context otherwise requires:

(a) All references in this instrument to designated Sections and other subdivisions are to designated Sections and other subdivisions of this Lease, and the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Lease as a whole and not to any particular Section or other subdivision;

(b) The terms defined in this Section 1 or elsewhere in this Lease shall have the meanings assigned to them in this Section 1 or elsewhere and include the plural as well as the singular;

(c) Except as otherwise indicated, all the agreements or instruments hereinafter defined shall mean such agreements or instruments as the same may from time to time be supplemented or amended or the terms thereof waived or modified to the extent permitted by, and in accordance with, the terms thereof;

(d) The following terms shall have the following meanings for all purposes of this Lease:

(1) Basic Rent, Supplemental Rent and Rent shall have the meanings set forth in Section 3 hereof.

(2) Beneficiary, Daily Lease Rate Factor, Rent Commencement Date, Basic Rent Dates, Basic Lease Rate Factor, Expiration Date, First Delivery Date, Final Delivery Date, Interim Rent Date, First Basic Rent Date, Last Basic Rent Date, Depreciable Life, Depreciation Method, Salvage Value, Overdue Rate, Return of Equipment and Equipment Marking shall have the meanings with respect to each Group of Equipment set forth in Exhibit C hereto.

(3) Business Day shall have the meaning set forth in the Participation Agreement.

(4) Casualty Value and, if such term shall be applicable to this Lease, Termination Value shall have the meanings with respect to each Group of Equipment set forth in Exhibit D hereto.

(5) Certificate of Acceptance shall mean a certificate of acceptance substantially in the form of Exhibit B hereto.

(6) Closing Date shall have the meaning set forth in the Participation Agreement.

(7) Equipment, and individually an Item or Item of Equipment, shall mean the items of equipment described in Exhibit B hereto.

(8) First Termination Date, if such term shall be applicable to this Lease, shall have the meaning with respect to each Group of Equipment set forth in Exhibit C hereto.

(9) Group of Equipment and Lessor's Cost shall have the meanings set forth in the Certificate of Acceptance with respect to each Item of Leased Equipment.

(10) Indenture shall mean the Trust Indenture dated as of October 1, 1976 between United States Trust Company of New York, a New York corporation, not in its individual capacity, but solely as trustee thereunder (the Trustee), and the Lessor.

(11) Leased Equipment, and individually an Item of Leased Equipment, shall have the meanings set forth in Section 2 hereof.

(12) Notes shall mean those promissory notes defined as Notes in the Participation Agreement issued in connection with the purchase of the Leased Equipment.

(13) Participation Agreement shall mean the agreement, dated as of the date hereof, among the Lessee, the Lessor, the Trustee, each Beneficiary and each entity named therein as Interim Lender or Long-Term Lender.

(14) Purchase Documents shall mean those documents defined as Purchase Documents in the Participation Agreement.

(15) Supplement shall mean each supplement to the Indenture creating a separate series of the Notes.

SECTION 2. Lease of Equipment.

Subject to the terms and conditions of this Lease, the Lessor hereby agrees to lease to the Lessee and the Lessee hereby agrees to lease from the Lessor such Items of Equipment as shall be described in one or more Certificates of Acceptance executed and delivered on behalf of the

Lessor with respect thereto and as shall have been delivered and accepted on or after the First Delivery Date but on or before the Final Delivery Date (Leased Equipment, and individually an Item of Leased Equipment). Subject to the provisions of the Participation Agreement, upon delivery of each Item of Equipment to the Lessor, the Lessee will cause an authorized representative of the Lessee to inspect the same and, if such Item of Equipment is found to be in good order, to accept such Item of Equipment and to execute and deliver a Certificate of Acceptance with respect thereto, whereupon, but also subject to the provisions of the Participation Agreement, such Item of Equipment shall be deemed to have been delivered to and accepted by the Lessee and shall be subject to the terms and conditions of this Lease. Notwithstanding the delivery of the Items of Equipment to, and their possession and use by, the Lessee, the Lessor shall and does hereby retain all legal title to and property in the Leased Equipment, it being expressly understood that this agreement is an agreement of lease only.

SECTION 3. Term and Rent.

(a) The term of this Lease as to each Item of Leased Equipment included in a Group of Equipment shall begin on its date of acceptance, as set forth in the Certificate of Acceptance executed and delivered with respect thereto, and shall end on the Expiration Date with respect to such Group of Equipment, unless this Lease shall have been terminated by the terms hereof.

(b) The Lessee shall pay to the Lessor as Basic Rent (herein referred to as Basic Rent) for each Item of Leased Equipment subject to this Lease, the following:

(1) on the Interim Rent Date, an amount equal to the Daily Lease Rate Factor, if any, multiplied by the Lessor's Cost of such Item, for each day elapsed from and including the Rent Commencement Date with respect to such Item to but excluding the Interim Rent Date;

(2) on the First Basic Rent Date, an amount equal to the Basic Lease Rate Factor, multiplied by the Lessor's Cost of such Item; and

(3) on each Basic Rent Date thereafter to and including the Last Basic Rent Date, an amount equal to the Basic Lease Rate Factor, multiplied by the Lessor's Cost of such Item.

(c) The Lessee shall pay to the Lessor the following amounts (herein referred to as Supplemental Rent and, together with all Basic Rent, as Rent):

(1) on demand, any amount payable hereunder (other than Basic Rent, Casualty Value and Termination Value, if any) which the Lessee assumes the obligation to pay, or agrees to pay, under this Lease to the Lessor or others;

(2) on the date provided herein, any amount payable hereunder as Casualty Value or Termination Value, if any; and

(3) to the extent permitted by applicable law, interest (computed on the basis of a 360-day year of twelve 30-day months) at the Overdue Rate on any payment of Basic Rent, Casualty Value or Termination Value, if any, not paid when due for any period for which the same shall be overdue and on any payment of Supplemental Rent (including, without limitation, interest payable under this clause (3), but excluding payments of Casualty Value or Termination Value, if any) not paid when demanded hereunder for the period from the date of such demand until the date on which the same shall be paid.

(d) Subject to the provisions of the Participation Agreement, all payments of Rent hereunder shall be made so that the Lessor shall have immediately available funds on the date payable hereunder, by 12:00 noon New York time, and shall be paid to the Lessor at its address set forth herein or at such other address as the Lessor may direct by notice in writing to the Lessee.

SECTION 4. Net Lease.

This Lease is a net lease and the Lessee acknowledges and agrees that the Lessee's obligation to pay all Rent hereunder, and the rights of the Lessor in and to such Rent, shall, subject in all events to the Lessor's covenant of quiet enjoyment set forth in this Section 4, be absolute and unconditional and shall not be subject to any abatement, reduction, set-off, defense, counterclaim or recoupment (Abatements) for any reason whatsoever, including, without limitation, Abatements due to any present or future claims of the Lessee against the Lessor under this Lease or otherwise, or against the manufacturer or seller of any Item of Leased Equipment. Except as otherwise expressly provided herein, this Lease shall not terminate, nor shall the respective obligations of the Lessor or the Lessee be affected, by reason of any defect in or damage to, or any loss or destruction of, the Leased Equipment or any Item thereof from whatsoever cause, or the interference with the use thereof by any private person, corporation or governmental authority, or the invalidity or unenforceability or lack of due authorization of this Lease or lack of right, power or authority of the Lessor to enter into this Lease, or for any other cause, whether similar or dissimilar to the foregoing, any present or future law or regulation to the contrary notwithstanding, it being the express intention of the Lessor and the Lessee that all Rent payable by the Lessee hereunder shall be, and continue to be, payable in all events unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. Notwithstanding anything to the contrary contained herein, but without limiting the foregoing, the Lessor hereby covenants that so long as no Event of Default has occurred under this Lease, the Lessee shall and may quietly have, hold and enjoy the use of the Leased Equipment and every part thereof for the term of this Lease, free from

repossession or disposition by: (i) any Beneficiary, (ii) the Interim Lender (as defined in the Participation Agreement) or any Long-Term Lender (as defined in the Participation Agreement), (iii) anyone successfully prevailing on a claim through or under any Beneficiary, the Interim Lender or any Long-Term Lender as a result of any negligent act or omission by such Beneficiary, the Interim Lender or such Long-Term Lender, (iv) the Lessor acting pursuant to instructions from any Beneficiary or (v) the Trustee acting pursuant to instructions from the Interim Lender or any Long-Term Lender.

SECTION 5. Return of Equipment.

(a) Upon the expiration or termination of this Lease with respect to a Group of Equipment, the Lessee, at its own expense, will return the Items of Leased Equipment then subject to this Lease which are included in such Group of Equipment to the Lessor in the condition in which such Leased Equipment is required to be maintained pursuant to Section 9 hereof and, except as otherwise provided in the succeeding paragraph (b), pursuant to the instructions set forth under the heading "Return of Equipment" in Exhibit C to this Lease. Such Leased Equipment, upon redelivery pursuant hereto, shall be free and clear of all mortgages, liens, security interests, charges, encumbrances and claims, relating to ownership or otherwise (Liens), other than Liens which result from claims against the Lessor which do not result or arise from the failure of the Lessee to perform any of its obligations hereunder (Lessor's Liens).

(b) Upon the termination of this Lease in accordance with Section 17 hereof, the Lessee, at its own cost, expense and risk shall (a) forthwith and in the usual manner (including, without limitation, giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any Item has been interchanged, to return such Item so interchanged) place the Leased Equipment upon such storage tracks as the Lessor may reasonably designate, (b) permit the Lessor to store the Leased Equipment on such tracks at the risk of the Lessee without charge for insurance, rent or storage until the Leased Equipment shall have been sold, leased or otherwise disposed of by the Lessor and (c) transport the Leased Equipment to any connecting carrier for shipment, all as directed by Lessor. During any such storage period, the Lessee's obligations under Sections 9, 10 and 12 shall remain in full force and effect notwithstanding the termination of this Lease.

SECTION 6. Warranties of the Lessor.

(a) The Lessor represents and warrants it has received whatever title was conveyed to it by the manufacturer or seller of each Item of Leased Equipment and that the Leased Equipment shall be free of Liens which may result from claims against the Lessor not related to the ownership of the Leased Equipment.

(b) The warranties set forth in paragraph (a) of this Section

are in lieu of all other warranties of the Lessor, whether written, oral or implied with respect to this Lease or the Leased Equipment; and the Lessor shall not be deemed to have made, and the LESSOR HEREBY DISCLAIMS ANY OTHER REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE LOCATION, DESCRIPTION, DURABILITY, DESIGN OR CONDITION OF THE LEASED EQUIPMENT, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE LEASED EQUIPMENT OR CONFORMITY OF THE LEASED EQUIPMENT TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDER OR ORDERS RELATING THERETO, NOR SHALL THE LESSOR BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING STRICT LIABILITY IN TORT), but the Lessor authorizes the Lessee, at the Lessee's expense, to assert for the Lessor's account, during the term of this Lease, so long as no Event of Default shall have occurred hereunder and be continuing, all of the Lessor's rights under any applicable manufacturer's or seller's warranty and the Lessor agrees to cooperate with the Lessee in asserting such rights; provided, however, that the Lessee shall indemnify and shall hold the Lessor harmless from and against any and all claims, and all costs, expenses, damages, losses and liabilities incurred or suffered by the Lessor in connection with, as a result of, or incidental to, any action by the Lessee pursuant to the above authorization. Any amount received by the Lessee as payment under any such warranty shall be applied to restore the Leased Equipment to the condition required by Section 9 hereof, with the balance of such amount, if any, to be paid over to the Lessor.

SECTION 7. Liens.

The Lessee will not directly or indirectly create, incur, assume or suffer to exist any Liens on or with respect to the Leased Equipment, the Lessor's title thereto or any interest therein (and the Lessee will promptly, at its own expense, take such action as may be necessary duly to discharge any such Lien), except (a) the respective rights of the Lessor and the Lessee as herein provided, (b) Lessor's Liens, (c) Liens for taxes either not yet due or being contested in good faith and by appropriate proceedings, if counsel for the Lessor shall have determined that the nonpayment of any such tax or the contest of any such payment in such proceedings do not, in the opinion of such counsel, adversely affect the title, property, or rights of the Lessor, (d) inchoate materialmen's, mechanics', workmen's, repairmen's, employees' or other like Liens arising in the ordinary course of business of the Lessee and not delinquent, and (e) Liens granted by the Lessor to any assignee or security assignee of the Lessor.

SECTION 8. Taxes.

The Lessee agrees to pay and to indemnify the Lessor for, and hold the Lessor harmless from and against, all income, franchise, sales, use, personal property, ad valorem, value added, leasing, leasing use, stamp or other taxes, levies, imposts, duties, charges, or withholdings of any nature, together with any penalties, fines or interest thereon

(Impositions), arising out of the transactions contemplated by this Lease and imposed against the Lessor, the Lessee or the Leased Equipment by any federal, state, local or foreign government or taxing authority upon or with respect to the Leased Equipment or upon the sale, purchase, ownership, delivery, leasing, possession, use, operation, return or other disposition thereof, or upon the rentals, receipts or earnings arising therefrom, or upon or with respect to this Lease (excluding, however, any taxes to the extent such taxes are measured by the net income of the Lessor and fines and penalties on or measured by such taxes, but not excluding such taxes if imposed by a jurisdiction outside of the United States by reason of any of the Leased Equipment being used in such jurisdiction) unless, and only to the extent that, the Lessee shall have given to the Lessor prompt written notice of any such Imposition, which notice shall state that such Imposition is being contested by the Lessee in good faith and by appropriate proceedings and counsel for the Lessor shall have determined that the nonpayment thereof or the contest thereof in such proceedings does not, in the opinion of such counsel, adversely affect the title, property or rights of the Lessor. In no event shall the Lessee be required to make any payment under this Section 8 with respect to any income tax imposed by a jurisdiction outside the United States, in an amount which would cause the net return of any Beneficiary to exceed that which would have obtained had such income tax not been imposed. If a claim is made against the Lessee or the Lessor for any Imposition, the party receiving notice of such claim shall promptly notify the other. In case any report or return is required to be made with respect to any obligation of the Lessee under this Section 8 or arising out of this Section 8, the Lessee will either (after notice to the Lessor) make such report or return in such manner as will show the ownership of the Leased Equipment in the Lessor and send a copy of such report or return in such manner as shall be satisfactory to the Lessor. The Lessor agrees to cooperate fully with the Lessee in the preparation of any such report or return. The Lessee shall not be responsible for any governmental fines or penalties which are imposed as the result of a knowing failure by the Lessor, the Interim Lender or any Long-Term Lender to take reasonable action or to furnish reasonable cooperation to the Lessee specified in a written request delivered by the Lessee to the Lessor, the Interim Lender or such Long-Term Lender, as the case may be, which prevents the Lessee from diligently fulfilling its obligations under this Section 8. The Lessee shall pay the reasonable out-of-pocket expenses incurred by the Lessor, the Interim Lender or such Long-Term Lender, as the case may be, incurred in taking such action or furnishing such cooperation.

SECTION 9. Use, Maintenance and Operation; Identifying Marks.

(a) The Lessee agrees that the Leased Equipment will be used, or is intended for use, in connection with interstate commerce and will be used in compliance with any and all statutes, laws, ordinances and regulations of any governmental agency applicable to the use of the Leased Equipment, and, subject to the provisions of Section 14 hereof, will at all times be used solely in the conduct of its business and be and remain in

the possession and control of the Lessee within the geographic limits of the continental United States; provided, however, that the Lessee may use or permit the use of Items of Leased Equipment having an aggregate Lessor's Cost not in excess of 15% of the aggregate Lessor's Cost of all Leased Equipment then subject to this Lease, outside the geographic limits of the continental United States in interchange in the normal course of its business. Throughout the term of this Lease, the possession, use and maintenance of the Leased Equipment shall be at the sole risk and expense of the Lessee.

(b) The Lessee shall use the Items of Leased Equipment only in the manner for which they were designed, or in any other manner which does not accelerate the wear and tear that would be expected were such Items used in the manner for which they were designed, and will, at its own cost and expense, repair and maintain each Item of Leased Equipment so as to keep it in good operating order, repair and condition.

(c) The Lessee shall be entitled from time to time during the term of this Lease, to acquire and install on any Item of Leased Equipment at the Lessee's expense, such additional features or options as may be available at such time with respect to such Item, and such additional features and options shall not be considered accessions to such Item and title thereto shall remain in the Lessee except as provided in the last sentence of this paragraph (c). Such additional features or options shall be removed by the Lessee before such Item is returned to the Lessor, and the Lessee shall repair all damage to such Item resulting from such installation and removal so as to restore such Item to the condition in which it existed prior to the installation of such additional features or options. Any such additional features and options not so removed shall be considered accessions to such Item and shall become the property of the Lessor.

(d) The Lessee will not, without the prior written consent of the Lessor, which consent shall not be unreasonably withheld and which consent shall not be withheld if such accessory, equipment or device is required by applicable law or governmental regulation, affix or install any accessory, equipment or device on any Item of Leased Equipment leased hereunder which will either impair the originally intended function or use of any such Item or constitute an improvement or addition to such Item of Leased Equipment which is not, within the meaning of any law, regulation or procedure then in effect, readily removable without causing material damage to such Item of Leased Equipment. Only such accessories, equipment and devices which are not readily removable without material damage shall upon attachment or affixation become the property of the Lessor and thereupon all such accessories, equipment and devices shall, without any charge to the Lessor, become a part of the Leased Equipment leased hereunder, but shall not, as between the Lessor and the Lessee, constitute additional Rent to the Lessor. The replaced parts shall no longer be the property of the Lessor.

(e) The Lessee agrees, at its own cost and expense, to (1) cause

each Item of Leased Equipment to be kept numbered with the identification or serial number therefor as specified in the Certificate of Acceptance therefor and (2) maintain the Equipment Marking on each Item of Leased Equipment and such other markings as from time to time may be required by law or otherwise deemed necessary by the Lessor in order to protect the title of the Lessor to such Item of Equipment, the rights of the Lessor under this Lease and the Lien granted by the Lessor in financing the Lessor's Cost of the Leased Equipment. The Lessee will not place any Item of Leased Equipment in operation or exercise any control or dominion over the same until such Equipment Marking has been placed thereon. The Lessee will replace promptly any such Equipment Marking which may be removed, defaced or destroyed. The Lessee agrees that each Item of Leased Equipment is, and shall continue to be throughout the term of this Lease, personal property under applicable law and the Lessee agrees to take such action as shall be required from time to time by the Lessor to protect the Lessor's title to each such Item and the right of the Lessor to remove the same.

SECTION 10. Inspection.

The Lessor shall have the right, but not the duty, to inspect the Leased Equipment. Upon the request of the Lessor, the Lessee shall confirm to the Lessor the location of each Item of Leased Equipment and shall, at any reasonable time, make the Leased Equipment and the Lessee's records pertaining to the Leased Equipment, available to the Lessor for inspection.

SECTION 11. Loss or Destruction; Requisition of Use.

(a) In the event that any Item of Leased Equipment shall be or become materially damaged or worn out, destroyed, lost, stolen, or permanently rendered unfit for use for any reason whatsoever, or title thereto shall be requisitioned or otherwise taken by any governmental authority under power of eminent domain or otherwise (Requisition of Use), or any Item of Leased Equipment is returned to the manufacturer or seller thereof pursuant to the patent indemnity provisions of the Purchase Documents, such fact shall promptly be reported by the Lessee to the Lessor.

(b) The Lessee shall determine, within 120 days after the date of occurrence of any such damage or wearing out, whether such Item of Leased Equipment can be economically repaired or replaced.

(c) In the event Lessee determines that such Item cannot be economically repaired or replaced or in the event of such destruction, loss, theft, unfitness for use, Requisition of Use for a stated period which exceeds the term of this Lease, or return of such Item to the manufacturer or seller thereof without indication from such manufacturer or seller that such Item will be replaced (any of such occurrences being referred to as an Event of Loss), the Lessee shall promptly notify the Lessor of such Event of Loss. On the Basic Rent Date next following the date of such Event of Loss, the Lessee shall pay to the Lessor the Casualty Value of such Item, determined as of such Basic Rent Date, together with

any Rent then due. Should such Event of Loss occur after the Last Basic Rent Date but before such Item shall have been returned in the manner provided in Section 5 hereof, the Lessee shall promptly notify the Lessor of such occurrence and pay to the Lessor, within 30 days of such Event of Loss, an amount equal to the Casualty Value of such Item, determined as of the Last Basic Rent Date. In the event the Lessee determines that such Item can be repaired or replaced, the Lessee shall continue to make all payments of Basic Rent due with respect to such Item and shall (1) cause such Item to be repaired or replaced within 120 days after the occurrence of such damage or wearing out, and (2) in the event of replacement, take such action (other than the execution and filing of a Uniform Commercial Code financing statement) as may be required under and pursuant to the Indenture to perfect, protect and preserve any security interests created by the Lessor under and pursuant to the Indenture; provided, however, that if the Lessee shall, within such 120-day period, have commenced the repair or replacement of such Item and be diligently pursuing such repair or replacement, but is prevented from completing such repair or replacement within such 120-day period due to causes beyond the Lessee's control, then the time for repair or replacement shall be extended by the number of days necessary to complete such repair or replacement up to a maximum of 90 additional days, and further, provided, that if the Lessee shall fail to repair or replace such Item within such repair or replacement period (including any extension thereof) an Event of Loss shall be deemed to have occurred and the Lessee shall, on the Basic Rent Date next following the end of such repair or replacement period, pay to the Lessor the Casualty Value of such Item, determined as of such Basic Rent Date, together with any Rent then due. If at the end of such repair or replacement period such Event of Loss is deemed to have occurred, and no more Basic Rent is or will become payable under this Lease, the Casualty Value, determined as of the Last Basic Rent Date, shall be paid within 30 days following the end of such repair or replacement period. The obligation of the Lessee to pay Rent during the above-described replacement or repair period shall remain in full force and effect. Notwithstanding the foregoing, the Lessee, pursuant to the provisions of Section 15 hereof, shall still be required to indemnify the Lessor for any Loss, as defined in Section 15 hereof, due to the Lessee's act of replacing an Item of Leased Equipment authorized hereby. Upon making such Casualty Value payment in respect of such Item and all Rent due and owing with respect thereto, the Lessee's obligation to pay further Basic Rent for such Item shall cease, but the Lessee's obligation to pay Supplemental Rent, if any, for such Item, and to pay rent for all other Items of Leased Equipment shall remain unchanged. Except in the case of loss, theft, destruction, or return to the manufacturer or seller, the Lessor shall be entitled to recover possession of such Item, unless possession of such Item is required to be delivered to an insurance carrier (other than the Lessee) in order to settle an insurance claim arising out of the Event of Loss. The Lessor shall be entitled to retain any salvage value collected by such insurance carrier in excess of the amount paid to the Lessor by said insurance carrier. The Lessor shall be under no duty to the Lessee to pursue any claim against any person with respect to loss or damage with respect to any Item of Leased Equipment repaired or replaced by the Lessee, but the Lessee may at its own cost and expense pursue the same on behalf of the Lessor in such manner as shall be reasonably satisfactory

to the Lessor and may retain any amount recovered from such person up to the amount of the reasonable out-of-pocket expenses incurred by the Lessee or the Lessee's agent in repairing or replacing such Item and in pursuing such claim, and shall remit the excess, if any, to the Lessor. Any replacement Item made by the Lessee in accordance with the provisions of this Section 11(c) shall be in as good operating condition as, and shall have a value and utility at least equal to, the Item replaced, assuming the Item replaced was in the condition and state of repair required to be maintained by the terms hereof.

(d) Following payment of the Casualty Value of an Item of Leased Equipment in accordance with the provisions of Section 11(c), the Lessee shall, as agent for the Lessor, dispose of such Item as soon as it is able to do so for the best price obtainable. Any such disposition shall be on an "as is", "where is" basis without representation or warranty, express or implied. As to each separate Item so disposed of, the Lessee may, after paying the Lessor the amounts specified in Section 11(c), retain all amounts of such price, plus damages received by the Lessee by reason of such Event of Loss, up to the Casualty Value and the Lessee's reasonable costs and expenses of disposition attributable thereto, and shall remit the excess, if any, to the Lessor. As to each Item of Leased Equipment returned to the manufacturer or seller thereof in the manner described in Section 11(a) and not replaced or modified by the manufacturer or seller pursuant to the patent indemnity provisions of the Purchase Documents, the Lessor agrees that the Lessee shall receive and retain all amounts payable to the Lessor by the manufacturer or seller for the return of such Item, up to the Casualty Value paid by the Lessee hereunder, and any excess shall be paid over to or retained by the Lessor. As to each Item of Leased Equipment modified and each replacement Item installed by the manufacturer or seller pursuant to the patent indemnity provisions of the Purchase Documents, the Lessor and the Lessee agree that such modified Item or replacement Item shall be delivered to the Lessee and shall, without any further act of the Lessor or the Lessee, be considered an Item for all purposes of this Lease.

(e) Except as hereinabove in this Section 11 provided, the Lessee shall bear the risk of loss and shall not be released from its obligations hereunder in the event of any damage or Event of Loss to any Item of Leased Equipment after delivery to and acceptance by the Lessee hereunder.

(f) In the case of a Requisition of Use of any Item of Leased Equipment for an indefinite period or for a stated period which does not exceed the term of this Lease, such Requisition of Use shall not terminate this Lease with respect to such Item, and each and every obligation of the Lessee with respect thereto shall remain in full force and effect. So long as no Event of Default shall have occurred and be continuing under this Lease, the Lessee shall be entitled to all sums received by reason of any such Requisition of Use, up to an amount equal to the sum of (i) the Basic Rent paid by the Lessee during the period of such Requisition of Use and (ii) all out-of-pocket expenses incurred by the Lessee as a result of such Requisition of Use.

SECTION 12. Insurance.

At its own expense, the Lessee will cause to be carried and maintained casualty insurance with respect to each Item of Leased Equipment (which insurance may be carried by self-insurance or by an independent insurance carrier) and public liability insurance, in each case in amounts and against risks customarily insured against by the Lessee on similar equipment and, in any event, in amounts and against risks comparable to those insured against by the Lessee on equipment owned by it. Any policies with respect to such insurance shall be with an insurance carrier acceptable to the Lessor and, if requested by the Lessor, shall name the Lessor, the Trustee (as assignee and secured party) and the Lessee as assureds and loss payees, as their interests may appear, and shall provide for at least 30 days' prior written notice by the insurance carrier to the Lessor in the event of cancellation or expiration. The Lessee shall, upon request of the Lessor, furnish appropriate evidence of such insurance.

SECTION 13. Indemnification.

The Lessee agrees to assume liability for, and does hereby agree to indemnify, protect, save and keep harmless the Lessor from and against any and all liabilities, obligations, losses, damages, penalties, claims (including, without limitation, claims involving strict or absolute liability), actions, suits, costs, expenses and disbursements (including, without limitation, legal fees and expenses) of any kind and nature whatsoever (Claims) which may be imposed on, incurred or asserted against the Lessor, whether or not the Lessor shall also be indemnified as to any such Claim by any other person, in any way relating to or arising out of this Lease or any document contemplated hereby or the performance or enforcement of any of the terms hereof or thereof, or in any way relating to or arising out of the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, sublease, possession, use, operation, maintenance, condition, registration, sale, return, storage or disposition of any Item of Leased Equipment or any accident in connection therewith (including, without limitation, latent and other defects, whether or not discoverable and any Claim for patent, trademark or copyright infringement); provided, however, that the Lessee shall not be required to indemnify the Lessor for (a) any Claim in respect of any Item of Leased Equipment arising from acts or events which occur after possession of such Item of Leased Equipment has been redelivered to the Lessor, (b) any Claim resulting from acts which would constitute the wilful misconduct or gross negligence of the Lessor, or its successors, assigns, agents, servants or personal representatives, or (c) any Claim arising solely from any Abatement by the Lessee specifically permitted by Section 4 hereof. To the extent that the Lessor in fact receives indemnification payments from the Lessee under the indemnification provisions of this Section 13, the Lessee shall be subrogated, to the extent of such indemnity paid, to the Lessor's rights with respect to the transaction or event requiring or giving rise to such indemnity; provided, however, that the Lessee shall not enforce any such rights by legal proceedings without the Lessor's approval, which approval shall not be unreasonably withheld. The Lessee agrees that the Lessor shall not be liable

to the Lessee for any Claim caused directly or indirectly by the inadequacy of any Item of Leased Equipment for any purpose or any deficiency or defect therein or the use or maintenance thereof or any repairs, servicing or adjustments thereto or any delay in providing or failure to provide any thereof or any interruption or loss of service or use thereof or any loss of business, all of which shall be the risk and responsibility of the Lessee. The rights and indemnities of the Lessor hereunder are expressly made for the benefit of, and shall be enforceable by, the Lessor notwithstanding the fact that the Lessor is either no longer a party to this Lease, or was not a party to this Lease at its outset.

SECTION 14. Sublease.

The Lessee will not, without the prior written consent of the Lessor, which consent will not be unreasonably withheld or unreasonably delayed, sublet or otherwise relinquish possession of any of the Leased Equipment (except by way of interchange in the normal course of its business) or assign any of its rights hereunder; provided, that, without such consent, the Lessee, as long as no event which, with the giving of notice or lapse of time or both, would become an Event of Default shall have occurred hereunder and be continuing, may sublease any Item of Leased Equipment (i), upon written notice to the Lessor, to any member of the consolidated group of companies of which the Lessee is a member and (ii), upon prior written notice to the Lessor, to any person for a period or periods not in excess of an aggregate of 90 days in any successive 12 month period. No sublease shall be permitted hereunder unless (a) the rights of the sublessee thereunder are expressly subject and subordinate to the rights of the Lessor and any security assignees of the Lessor, and (b), except as otherwise provided in the proviso to the first sentence of Section 9(a) hereof, the Items of Leased Equipment to be subleased shall be used within the geographic limits of the continental United States. No sublease, other relinquishment of the possession of any of the Leased Equipment, or assignment by the Lessee of any of its rights hereunder shall in any way discharge or diminish any of the Lessee's obligations to the Lessor hereunder.

SECTION 15. Tax Indemnification.

(a) This Lease has been entered into on the basis that the Lessor shall be entitled to such deductions, credits and other benefits as are provided to an owner of property including, without limitation:

(i) the deduction for accelerated depreciation (Depreciation Deduction) on each Item of Leased Equipment under various sections of the Internal Revenue Code of 1954, as amended (the "Code"), based upon the Depreciable Life, Depreciation Method and Salvage Value set forth in Exhibit C hereto; and

(ii) the deduction under section 163 of the Code (Interest Deduction) in the full amount of any interest paid or accrued by the Lessor in accordance with the Lessor's method of accounting for tax purposes with respect to any indebtedness incurred by the Lessor in financing its purchase of each Item of Leased Equipment.

(b) Notwithstanding anything to the contrary contained herein, the Lessee represents, warrants and covenants that (i) at the time of its acceptance in accordance with Section 2 hereof, the Leased Equipment will constitute "new section 38 property" within the meaning of section 48(b) of the Code and will not have been used by any person so as to preclude "the original use of such property" within the meaning of sections 48(b) and 167(c)(2) of the Code from commencing with the Lessor; (ii) at all times during the term of this Lease, the Leased Equipment will constitute "section 38 property" within the meaning of section 48(a) of the Code; (iii) the Lessee and the consolidated federal taxpayer group of which it is a member will file their tax returns and maintain their books and financial statements consistent with the provisions of Section 15(a) hereof; (iv) neither the Lessee nor any corporation controlled by it, in control of it, or under common control with it, directly or indirectly, will at any time take any action to jeopardize the tax benefits anticipated by the Lessor pursuant to Section 15(a) hereof; (v) a reasonable estimate (as this term is used by the Internal Revenue Service Revenue Procedure 75-21) of the Fair Market Value of the Leased Equipment at the end of the term of this Lease is that it will be at least 20% of its original cost and that a reasonable estimate of the remaining useful life of the Leased Equipment at the end of the term of this Lease is that it will be at least 20% of the total useful life of the Leased Equipment; and (vi) the Lessee shall take all actions and execute such documents as may be reasonable or necessary to facilitate the accomplishment of the intent hereof.

(c) If the Lessor shall lose, shall not have or shall lose the right to claim, or if there shall be disallowed or recaptured with respect to the Lessor, all or any portion of the Interest Deduction or the Depreciation Deduction as is provided to an owner of property with respect to any Item of Leased Equipment or if there is any amendment or modification in the Code, enacted or effective prior to January 1, 1979, which results in a change in the federal tax rates for corporations, (Loss), then the Basic Lease Rate Factor applicable to such Item of Leased Equipment shall, on and after the next succeeding Basic Rent Date, after written notice to the Lessee by the Lessor that a Loss has occurred, be increased by such amount for such Item which, in the reasonable opinion of the Lessor, will cause the Lessor's net return (calculated on the same basis as, and using the same methods employed in, the Lessor's original calculation of net return) over the term of the Lease in respect of such Item to equal the net return that would have been available if the Lessor had been entitled to the utilization of all of the Interest Deduction and the Depreciation Deduction with respect to such Item or if the federal income tax rates for corporations had not been so changed, and the Lessee shall forthwith pay to the Lessor the amount of any interest which may be assessed by the United States or any State against the Lessor attributable to the Loss. The Beneficiary shall furnish the Lessee with documentation reasonably requested by the Lessee detailing such Loss, together with the computation of the amount of any increase in the Basic Lease Rate Factor attributable thereto.

(d) For purposes of this Section 15, a Loss shall occur upon the earliest of (1) the happening of any event (such as a disposition or change in the use of any Item of Leased Equipment) which may cause such Loss, (2) the payment by the Lessor to the Internal Revenue Service of the tax increase resulting from such Loss, or (3) the adjustment of the tax return of the Lessor to reflect such Loss. With respect to any Item of Leased Equipment, the Lessor shall be responsible for, and shall not be entitled to a payment under the preceding paragraph (c) on account of, any Loss due to one or more of the following events: (i) a disqualifying disposition due to the sale of such Item of Leased Equipment or the lease thereof by the Lessor prior to any default by the Lessee, or (ii) a failure of the Lessor to timely or properly claim the Interest Deduction or Depreciation Deduction for such Item of Leased Equipment in the tax return of the Lessor, or (iii) a disqualifying change in the nature of the Lessor's business or the liquidation thereof, or (iv) a foreclosure by any person holding through the Lessor of a lien on such Item of Leased Equipment, which foreclosure results solely from an act of the Lessor, or (v) any event which by the terms of this Lease requires payment by the Lessee of the Casualty Value or Termination Value of such Item, if such Casualty Value or Termination Value is thereafter actually paid by the Lessee, to the extent that such payment reimburses the Lessor for amounts otherwise payable by the Lessee pursuant to this Section 15, (vi) the failure of the Lessor to have sufficient taxable income against which to apply such Depreciation Deduction or Interest Deduction or (vii) any event other than an act, failure to act or misrepresentation on the part of the Lessee.

(e) In the event and to the extent that the cost of any improvement or addition (Capital Expenditure) to any Item of Leased Equipment made by the Lessee, is required to be included in the gross income of the Lessor for federal income tax purposes, then the Lessee shall pay to the Lessor on each Basic Rent Date thereafter, commencing with the first Basic Rent Date following the date on which the Lessee is required to furnish written notice of such inclusion to the Lessor pursuant to the succeeding paragraph (f), such amount which (after deduction of all taxes required to be paid by the Lessor on receipt thereof under the laws of the United States or any political subdivision thereof), when taken together with the amount of Basic Rent due on each such date will, in the reasonable opinion of the Lessor, cause the Lessor's net return (calculated on the same basis as, and using the same methods employed in, the Lessor's original calculation of net return) over the term of the Lease in respect of such Item to equal the net return that would have been available if the cost of such Capital Expenditure had not been includable in the Lessor's gross income, and the Casualty Values and Termination Values payable with respect to such Item shall be adjusted in amounts calculated in a similar such manner by the Lessor. The Beneficiary shall furnish the Lessee with documentation reasonably requested by the Lessee detailing such requirement of inclusion, together with the computation of the amount of any increase in the Basic Lease Rate Factor, the Casualty Values or the Termination Values attributable thereto.

(f) For purposes of the preceding paragraph (e), the cost of any Capital Expenditure made by the Lessee shall be deemed to be "required to

be included in the gross income of the Lessor for federal income tax purposes", if such inclusion is required by (i) any private ruling letter issued to the Lessor by the Internal Revenue Service that has not been revoked or otherwise rendered inapplicable at the time the cost of such Capital Expenditure is incurred, (ii) any provision of the Code or the applicable regulations thereunder, or (iii) any published revenue ruling or revenue procedure of the Internal Revenue Service which has not been held invalid by a court having ultimate appellate jurisdiction over the federal income tax liability of the Lessor. The Lessee shall, within 30 days after December 31 (or, if the Lessee's fiscal year end occurs on some other date, within 30 days of such other date) in each year in which the Lessee has made any Capital Expenditure which is required to be included in the gross income of the Lessor for federal income tax purposes, give written notice thereof to the Lessor describing such Capital Expenditure in reasonable detail and specifying the cost thereof.

(g) All of the Lessor's rights and privileges arising from the indemnities contained in this Section 15 shall survive the expiration or other termination of this Lease with respect to any or all Items of Leased Equipment and such indemnities are expressly made for the benefit of and shall be enforceable by the Lessor, its successors and assigns.

SECTION 16. Events of Default.

The term Event of Default, wherever used herein, shall mean any of the following events which shall have occurred and be continuing (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or come about or be affected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) The Lessee shall fail to make any payment of Rent within 10 days after having received written notice that the same is due and has not been paid; or

(b) The Lessee shall fail to perform or observe any other covenant, condition, or agreement to be performed or observed by it under this Lease or any agreement, document or certificate delivered by the Lessee in connection herewith, and such failure shall continue for 20 days after written notice thereof from the Lessor to the Lessee; or

(c) Any representation or warranty made by the Lessee in this Lease or the Participation Agreement or in any document or certificate furnished to the Lessor in connection herewith shall prove to have been incorrect in any material respect when any such representation or warranty was made or given; or

(d) The Lessee shall petition or apply to any tribunal for the appointment of a trustee, receiver or liquidator of the Lessee, or of any Item of Equipment or of any substantial part of the assets of the Lessee,

or shall commence any proceedings relating to the Lessee under any bankruptcy, insolvency, reorganization, compromise, arrangement, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect; or any such petition or application shall be filed, or any such proceedings shall be commenced, against the Lessee, and the Lessee by any act shall indicate its approval thereof, consent thereto, or acquiescence therein; or an order, judgment or decree shall be entered appointing any such trustee, receiver or liquidator, or approving a petition in any such proceedings and such order, judgment or decree shall remain unstayed and in effect for more than 60 days; or

(e) The Lessee shall be in default under any material obligation for the payment of borrowed money or for the deferred purchase price of, or for the payment of any rent under any lease agreement covering, material real or personal property, and the applicable grace period with respect thereto shall have expired and the obligations shall not be contested in good faith and, in the case of a default prior to the final maturity of such obligation, the effect of such default is to accelerate the maturity of such obligation or to permit the obligee to accelerate the maturity thereof; or

(f) The Lessee shall remove, sell, transfer, encumber, part with possession of, assign or sublet (except as expressly permitted by the provisions of this Lease) any Item of Leased Equipment.

SECTION 17. Remedies.

(a) Upon the occurrence of any Event of Default, the Lessor may, at its option, declare this Lease to be in default by written notice to such effect given to the Lessee, and at any time thereafter, the Lessor may exercise one or more of the following remedies, as the Lessor in its sole discretion shall lawfully elect:

(1) Proceed by appropriate court action, either at law or in equity, to enforce performance or observance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof;

(2) By notice in writing terminate this Lease, whereupon all rights of the Lessee to the use of the Leased Equipment shall absolutely cease and terminate but the Lessee shall remain liable as hereinafter provided; and thereupon the Lessee, if so requested by the Lessor, shall at the Lessee's expense promptly return the Leased Equipment to the possession of the Lessor at the place and in the condition required upon the return thereof pursuant to and in accordance with Section 5 (b) hereof, or the Lessor, at its option, may enter upon the premises where the Leased Equipment is located and take immediate possession of and remove the same by summary proceedings or otherwise. The Lessee shall, without further demand, forthwith pay to the Lessor an amount equal to any unpaid Rent due and payable for all

periods up to and including the Basic Rent Date following the date on which the Lessor has declared this Lease to be in default, plus, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the Casualty Value of the Leased Equipment then subject to this Lease, computed as of the Basic Rent Date following the date on which the Lessor has declared this Lease to be in default. Following the return of the Leased Equipment to the Lessor pursuant to this paragraph (2), the Lessor shall proceed to sell the Leased Equipment in such manner as it shall deem appropriate. The proceeds of such sale shall be applied by the Lessor (A) first, to all costs, charges and expenses, including reasonable legal fees and disbursements, incurred by the Lessor as a result of the default and the exercise of its remedies with respect thereto, and (B) second, to reimburse the Lessee for the Casualty Value to the extent previously paid by the Lessee as liquidated damages. Any surplus remaining thereafter shall be retained by the Lessor. To the extent that the Casualty Value has not been previously paid, the Lessee shall forthwith pay to the Lessor the sum of (i) the amount by which (X) the sum of (a) the Casualty Value thereof, and (b) the amount payable under clause (A) of the preceding sentence, to the extent not theretofore paid, exceeds (Y) the sale price of the Leased Equipment, and (ii) interest at the Overdue Rate on the full amount of the Casualty Value, computed from the date the Casualty Value is payable hereunder until such Casualty Value is paid by the Lessee.

(b) The Lessee shall be liable for all costs, charges and expenses, including reasonable legal fees and disbursements, incurred by the Lessor by reason of the occurrence of any Event of Default or the exercise of the Lessor's remedies with respect thereto.

(c) No remedy referred to herein is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to the Lessor at law or in equity. No express or implied waiver by the Lessor of any default or Event of Default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent default or Event of Default. The failure or delay of the Lessor in exercising any rights granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies and any single or partial exercise of any particular right by the Lessor shall not exhaust the same or constitute a waiver of any other right provided herein.

SECTION 18. Voluntary Termination.

(a) So long as no Event of Default shall have occurred and be continuing, the Lessee shall have the right, at any time on or after the First Termination Date, on at least 180 days' prior written notice to the Lessor, to terminate this Lease on any Basic Rent Date (other than

the Last Basic Rent Date) thereafter with respect to any Item of Leased Equipment if such Item shall have become, in the good faith opinion of the Lessee, obsolete or surplus to the Lessee's requirements or substandard in design or capacity. Such termination shall be effective on the Basic Rent Date specified in such notice (hereinafter called the Termination Date). During the period from the giving of such notice until the Termination Date, the Lessee, as agent for the Lessor, shall use its best efforts to obtain bids for the purchase of such Item. The Lessee shall certify to the Lessor in writing the amount of each bid received by the Lessee and the name and address of the party (who shall not be the Lessee or any person, firm or corporation affiliated with the Lessee) submitting such bid. The Lessee may utilize agents for purposes of fulfilling its obligations set forth in this Section 18. On the Termination Date, the Lessor shall sell such Item "as is, where is", without recourse or warranty, for cash, to whomsoever shall have submitted the highest bid prior to such date, and thereupon the Lessee shall deliver such Item so sold to the purchaser in the condition specified in this Lease. If no sale of such Item takes place on the Termination Date, this Lease shall continue in full force and effect as to such Item.

(b) The total sale price realized at any such sale shall be retained by the Lessor, and, in addition, the Lessee shall pay to the Lessor the amount of Basic Rent due on such Basic Rent Date, plus the excess, if any, of (A) the Termination Value for such Item, over (B) the proceeds of such sale less all expenses incurred by the Lessor in connection with such sale or with the collection or distribution of such payment. The obligation of the Lessee to pay Basic Rent with respect to such Item (including the installment of Basic Rent due on the Termination Date) shall continue undiminished until payment of the sale proceeds and all or any portion of the Termination Value, if any, payable hereunder to the Lessor. Upon the receipt of such payment the obligation of the Lessee to pay Basic Rent hereunder with respect to such Item shall cease. The Lessor shall have the right, but shall be under no duty, to solicit bids, to inquire into the efforts of the Lessee to obtain bids, or otherwise to take any action in connection with any such sale, other than as expressly provided herein.

SECTION 19. Right of First Refusal.

(a) Provided that this Lease has not been terminated by the Lessee and provided that no Event of Default has occurred and is continuing hereunder, the Lessor agrees that, during the term of this Lease or any extension thereof and for 90 days following the expiration of the term of this Lease or any extension thereof with respect to any Item of Leased Equipment, it will not lease or sell such Item of Leased Equipment unless the Lessor shall have given the Lessee at least 40 Business Days' prior written notice of such lease or sale, specifying the rental or sale price and the terms of such lease or sale, and the Lessee shall have the opportunity during the period from the date of such notice to the fortieth business day thereafter, or to the date which is sixty-five business days prior to the expiration of this Lease, whichever is later, to lease or purchase

such Item of Leased Equipment at the same rental or price and on the same terms as specified in such notice.

(b) In the event the Lessee exercises such right of first refusal to purchase any Item of Leased Equipment, then, upon payment of the purchase price, the Lessor shall, upon request of the Lessee, execute and deliver to the Lessee, or to the Lessee's assignee or nominee, a bill of sale (without representations or warranties except that such Item of Leased Equipment is free and clear of all claims, liens, security interests and other encumbrances by or in favor of any person claiming by, through or under the Lessor) for such Item of Leased Equipment, and such other documents as may be required to release such Item of Leased Equipment from the terms and scope of this Lease and to transfer title thereto to the Lessee or such assignee or nominee, in such form as may reasonably be requested by the Lessee, all at the Lessee's expense.

SECTION 20. Representations,
 Warranties and Covenants of the Lessee.

The Lessee represents, warrants and covenants as follows:

(a) Corporate Organization and Power. The Lessee is a corporation duly organized and validly existing in good standing under the laws of the jurisdiction of its incorporation, is duly qualified to do business in each jurisdiction in which, in the opinion of the Lessee and its counsel, its ownership or lease of property or the conduct of its business requires such qualification, and has full corporate power and authority to hold property under lease and to enter into and perform its obligations under the Participation Agreement and this Lease.

(b) Execution and Delivery of Documents. The execution, delivery and performance by the Lessee of the Participation Agreement, this Lease and any Purchase Documents to which the Lessee is a party have been duly authorized by all necessary corporate action on the part of the Lessee, are not inconsistent with its Certificate of Incorporation or By-Laws, do not contravene any law or governmental rule, regulation or order applicable to the Lessee, do not and will not contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument to which the Lessee is a party or by which it is bound, and, upon execution and delivery hereof and thereof, the Participation Agreement, this Lease and each Purchase Document to which the Lessee is a party will each constitute a legal, valid and binding agreement of the Lessee, enforceable in accordance with its terms, subject only to limitations as to enforceability imposed by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors rights generally.

(c) Governmental Approvals. No consent or approval of, giving of notice to, registration with, or taking of any other action in respect of, any state, Federal or other governmental authority or agency is presently required with respect to the execution, delivery and performance by

the Lessee of the Participation Agreement, this Lease or any of the Purchase Documents to which the Lessee is a party, or if any such approval, notice, registration or action is required, it has been duly given or obtained.

(d) Litigation. There are no actions, suits or proceedings pending or, to the knowledge of the Lessee, threatened against or affecting the Lessee in any court or before any governmental commission, board or authority which is likely to be adversely determined and, which, if adversely determined, will have a material adverse effect on the ability of the Lessee to perform its obligations under the Participation Agreement, this Lease or any of the Purchase Documents.

(e) Condition of the Equipment. Each Item of Leased Equipment will be new and unused on the date title thereto is acquired by the Lessor and will not have been put into use or operation by the Lessee prior to the date of acceptance set forth in the Certificate of Acceptance with respect thereto.

(f) Financial Statements. The balance sheet, statement of income and statement of changes in financial position of the Lessee for the fiscal year ended December 31, 1976, and the balance sheet, statement of income and statement of changes in financial position of the Lessee for the nine months ended September 30, 1977, have been prepared in accordance with generally accepted accounting principles and fairly present the financial position of the Lessee on and as of the dates thereof and the results of its operations for the periods covered thereby (subject, in the case of such financial statements as of September 30, 1977, to audit and year-end adjustments). Since September 30, 1977, there has been no material adverse change in the financial condition of the Lessee.

(g) Access to or Furnishing of Information. The Lessee agrees to furnish to the Lessor:

(i) within 120 days after the close of each fiscal year of the Lessee occurring after the date hereof, an audited balance sheet and statement of changes in financial position of the Lessee, or of any consolidated group of companies of which the Lessee is a member, at and as of the end of such fiscal year, together with an audited statement of income of the Lessee, or of any such consolidated group, for such fiscal year;

(ii) within 60 days after the close of each of the first three quarters of each fiscal year of the Lessee, an unaudited balance sheet and statement of changes in financial position of the Lessee, or of any such consolidated group, at and as of the end of such quarter, together with an unaudited statement of income of the Lessee, or of any such consolidated group, for such quarter;

(iii) within the period set forth in (i) above, a certificate

of an authorized officer of the Lessee (A) stating that he has reviewed the activities of the Lessee and that, to the best of his knowledge, there exists no Event of Default and no event which with the giving of notice or the lapse of time, or both, would become an Event of Default or (B) specifying each Event of Default and event which with the giving of notice or the lapse of time, or both, would become an Event of Default, then existing;

(iv) simultaneously with the distribution or mailing thereof, copies of all such financial statements, reports, notices or proxy statements as the Lessee shall distribute or mail to its shareholders; and

(v) from time to time, such other information as the Lessor may reasonably request.

(h) Merger, Sale, etc. Upon any consolidation or merger of the Lessee with or into any other corporation or corporations (whether or not affiliated with the Lessee), or successive consolidations or mergers in which the Lessee or its successor or successors shall be a party or parties, or upon any sale or conveyance of all or substantially all of the property of the Lessee to any other person, the Lessee will cause the due and punctual payment of all Rent and the due and punctual performance and observance of all covenants and obligations of the Lessee hereunder and under this Lease to be assumed by the corporation (if other than the Lessee) formed by such consolidation, or the corporation into which the Lessee shall have been merged or by the person which shall have acquired such property.

(i) ERISA. The Lessee is not entering into the Participation Agreement or this Lease, or any other transaction contemplated hereby or thereby, directly or indirectly in connection with any arrangement or understanding by it in any way involving any employee benefit plan (other than a governmental plan) with respect to which it, any Beneficiary, the manufacturer or seller of any Item of Equipment, or the Owner Trustee, in its individual capacity, or any of their affiliates is a party in interest, all within the meaning of ERISA. The Lessee agrees that it will not sublease any of the Leased Equipment to any person which is at the time a party in interest with respect to any employee benefit plan the assets of which were used by any Beneficiary, the Interim Lender or any Long-Term Lender in making its investment pursuant to this Participation Agreement, all within the meaning of ERISA.

SECTION 21. Notices.

All communications and notices provided for herein shall be in writing and shall become effective when deposited in the United States mail, with proper postage for first-class mail prepaid, addressed (a) if to the Lessor, at P.O. Box 30007, Salt Lake City, Utah 84125, Attention: Trust Department, Corporate Division (with copies to (1) Itel Capital

Services Corporation, at One Embarcadero Center, San Francisco, California 94111, Attention: Contract Administration, (2) the Trustee, at 130 John Street, New York, New York 10038, Attention: Corporation Trust and Agency Division and (3) each Beneficiary, at its address set forth in Exhibit C hereto), and (b) if to the Lessee, at its address set forth on the signature page hereof.

SECTION 22. Amendments and Miscellaneous.

(a) The terms of this Lease shall not be waived, altered, modified, amended, supplemented or terminated in any manner whatsoever except by written instrument signed by the Lessor and the Lessee; provided that no such waiver, alteration, modification, amendment or supplement shall make any change, and no termination shall be made, which is prohibited by the Indenture or any Supplement.

(b) This Lease, including all agreements, covenants, representations and warranties made herein or in any certificate delivered pursuant hereto, shall be binding upon and inure to the benefit of (1) the Lessor and its successors, assigns, agents, servants and personal representatives, namely (i) each Beneficiary, (ii) the Trustee, as assignee and secured party, and the successors, assigns, agents, servants and personal representatives of each Beneficiary and the Trustee as assignee and secured party, and (iii) any holder of obligations of the Lessor issued in connection with this Lease, and (2) the Lessee and its successors and, to the extent permitted hereby, assigns. Nothing in this Section 22(b) shall be construed to obligate the Lessee to indemnify any person for any Claim arising solely from any Abatement by the Lessee specifically permitted by Section 4 hereof.

(c) All agreements, indemnities, covenants, representations and warranties contained in this Lease or in any document or certificate delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Lease and the expiration or other termination of this Lease.

(d) Any provision of this Lease which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the Lessee hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect.

(e) This Lease shall constitute an agreement of lease and nothing herein shall be construed as conveying to the Lessee any right, title or interest in or to the Leased Equipment, except as lessee only.

(f) The single executed original of this Lease marked "Original" shall be the "Original" and all other counterparts hereof shall be marked and be "Duplicates." To the extent that this Lease constitutes chattel paper, as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction, no security interest in this Lease may be created through the transfer or possession of any counterpart other than the "Original."

(g) This Lease shall be construed in accordance with, and shall be governed by, the laws of the State of New York; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

(h) Section headings are for convenience only and shall not be construed as part of this Lease.

(i) Although this Lease is dated as of the date first above written for convenience, the actual dates of execution hereof by the parties hereto are respectively the dates set forth opposite the signatures hereto, and this Lease shall be effective on the latest of such dates.

IN WITNESS WHEREOF, the parties hereto have each caused this Lease to be duly executed by their respective officers thereunto duly authorized.

[Corporate Seal]

Attest:

Arthur B. Fisher

[Corporate Seal]

Attest:

FIRST SECURITY BANK OF UTAH, N.A.,
not in its individual capacity, but
solely as trustee under a Master
Trust Agreement dated as of October
1, 1976 between it and Itel Capital
Services Corporation,

as Lessor

By

[Signature]
Authorized Officer

Date

8-21-78

CELANESE CORPORATION,

as Lessee

By

Date

Address: 1211 Avenue of the Americas
New York, NY 10036
Attention: J.J. Bigham
Vice President
and Treasurer

STATE OF UTAH,)
) ss.:
COUNTY OF SALT LAKE,)

On this the 22 day of August, 1978, before me personally appeared WILLIAM C. MCGREGOR, to me personally known, who being by me duly sworn, says that he is an Authorized Officer of First Security Bank of Utah, National Association, that one of the seals affixed to the foregoing instrument is the seal of said bank, that said instrument was signed and sealed on behalf of said bank by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

Venna L. DeCorra
Notary Public

My Commission Expires November 15, 1981

[Notarial Seal]

My Commission expires

STATE OF NEW YORK,)
) ss.:
COUNTY OF NEW YORK,)

On this the ____ day of _____, 1978, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is a _____ of CELANESE CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[Notarial Seal]

My Commission expires

DESCRIPTION OF EQUIPMENT

<u>Groups of Equipment (a)</u>	<u>Quantity (b)</u>	<u>Manufacturer</u>	<u>Description</u>
1	80	Richmond Tank Car Company	100-Ton Open-Top Hopper Cars; AAR Designation: HTS <u>Road Number: SSIX</u> <u>5002-5081</u>

(a) Except as otherwise expressly provided or as the context shall otherwise require, as used herein, in the Indenture, each Supplement and this Lease and in all certificates and other instruments delivered pursuant hereto and thereto, the terms "Group" and "Group of Equipment" shall refer to the designations described above.

(b) Equipment shall include such additional quantities of Items of Equipment specifically described above as the Lessee shall include in a Certificate of Acceptance; provided, however, that in no event shall the Maximum Financing Cost, Maximum Investment Commitment or Maximum Loan Commitment (as such terms are defined in the Related Participation Agreement) be exceeded without the express approval of each affected party.

CERTIFICATE OF ACCEPTANCE NO. ____

under

Equipment Lease dated as of September 1, 1977 (the Lease) between FIRST SECURITY BANK OF UTAH, N.A., not in its individual capacity, but solely as trustee under a Master Trust Agreement dated as of October 1, 1976 between it and Itel Capital Services Corporation as lessor (the Lessor) and CELANESE CORPORATION, as lessee (the Lessee).

1. Items of Equipment

The Lessee hereby certifies that the Items of Equipment set forth and described in Schedule 1 hereto (which Schedule includes the amount of the Lessor's Cost of each such Item), constituting Items of Equipment of the Group of Equipment indicated below, have been delivered to the location indicated below, tested and inspected by the Lessee, found to be in good order and accepted as Items of Leased Equipment under the Lease, all on the date indicated below:

Group of Equipment: 1

Date of Acceptance:

2. Representations by the Lessee

The Lessee hereby represents and warrants to the Lessor that on the Date of Acceptance with respect to each Item of Leased Equipment:

(1) the representations and warranties of the Lessee set forth in the Lease, are true and correct in all material respects on and as of such date as though made on and as of such date;

(2) the Lessee has satisfied or complied with all requirements set forth in the Participation Agreement (as defined in the Lease) and in the Lease to be satisfied or complied with on or prior to such date;

(3) no Event of Default under the Lease or event which, with the giving of notice or the lapse of time, or both, would become such an Event of Default has occurred and is continuing; and

(4) the Lessee has obtained, and there is in full force and effect, such insurance with respect to such Item of Leased Equipment required to be carried and maintained under the terms of the Lease.

CELANESE CORPORATION,
as Lessee

By _____

Dated: _____

Accepted on the Date of Acceptance
set forth in paragraph 1 above on
behalf of the Lessor:

FIRST SECURITY BANK OF UTAH, N.A.,
not in its individual capacity,
but solely as trustee under a
Master Trust Agreement dated as
of October 1, 1976 between it and
Itel Capital Services Corporation,
as Lessor

By _____
Authorized Representative

SCHEDULE 1 TO
CERTIFICATE OF ACCEPTANCE NO. _____

Description of Equipment and Lessor's Cost

<u>Quantity</u>	<u>Manufacturer or Seller</u>	<u>Description</u>	<u>Identification Number</u>	<u>Lessor's Cost</u>
-----------------	---------------------------------------	--------------------	----------------------------------	--------------------------

SSIX 50

Total Lessor's Cost \$ _____

EXHIBIT C

Group 1 Equipment
(18-year Basic Lease Term)

<u>Date of Lease:</u>	As of September 1, 1977
<u>Beneficiary:</u>	Bankers Trust Company 280 Park Avenue New York, NY 10017 Attention: Lease Financing Division
Daily Lease <u>Rate Factor:</u>	1/360th of the lesser of (i) 8.85% and (ii) 125% of the prime interest rate of Bank of America, National Trust & Savings Association (being the best per annum rate of interest charged by such Bank to its prime large commercial customers on short- term unsecured borrowings)
Rent <u>Commencement Date:</u>	The Closing Date on which the applic- able Item shall have been paid for by the Lessor
<u>Basic Rent Dates:</u>	January 15 and July 15 in each year
<u>Expiration Date:</u>	January 15, 1997
<u>First Delivery Date:</u>	January 1, 1978
<u>Final Delivery Date:</u>	December 31, 1978
<u>Interim Rent Date:</u>	January 15, 1979
First <u>Basic Rent Date:</u>	July 15, 1979
Last <u>Basic Rent Date:</u>	January 15, 1997

First
Termination Date:

January 15, 1989

Basic
Lease Rate Factor:

4.749%

Overdue Rate:

One per cent in excess of the applicable Long-Term Debt Rate set forth in the Participation Agreement

Equipment Marking:

In letters not less than one inch in height: "Ownership subject to a Security Agreement filed under the Interstate Commerce Act, Section 20C."

Return of Equipment:

The Lessee shall, at its own expense, return each Item of Leased Equipment to the Lessor at such location, within a radius of 1,000 miles of Kings Mill, Texas, as the Lessor shall select, or, if the Lessor shall make no such selection, at such rolling stock maintenance facility of ITEL Corporation as the Lessee shall select within a radius of 1,000 miles of Kings Mill, Texas.

Depreciable Life:

A 12-year depreciable life pursuant to section 167(m) of the Code for an asset described in Asset Guideline Class No. 00.25

Depreciation Method:

Double declining balance method and switching to the sum-of-the-years digits method without the prior consent of the Commissioner of Internal Revenue utilizing either the "modified half-year" or "half-year" convention pursuant to Reg. section 1.167(a)-11(c)-(2) and taking into account the Salvage Value of the Leased Equipment

Salvage Value:

An amount equal to 10% of the Lessor's Cost of the Leased Equipment, which amount will be reduced by 10% of the Lessor's Cost as provided in section 167(f) of the Code

EXHIBIT D
Group 1 Equipment

The Casualty Value and Termination Value of each Item of Leased Equipment shall be the percentage of Lessor's Cost of such Item set forth opposite the applicable rent payment:

<u>Interim Rent Date and Rent Payment Number</u>	<u>Casualty Value (a)</u>	<u>Termination Value (a)</u>
Interim Rent Date	108.35 %	%
1	108.35	
2	110.08	
3	108.45	
4	109.25	
5	107.48	
6	107.48	
7	105.60	
8	104.82	
9	102.83	
10	101.37	
11	99.27	
12	97.23	
13	95.02	
14	92.56	
15	90.24	
16	87.44	
17	85.00	
18	81.91	
19	79.35	
20	76.03	73.29
21	73.34	70.47
22	69.86	66.89
23	67.02	63.91
24	63.42	60.22
25	60.43	57.08
26	56.76	53.30
27	53.63	50.02
28	49.88	46.15
29	46.60	42.71
30	42.77	38.76
31	39.34	35.15
32	35.44	31.11
33	31.85	27.34
34	27.86	23.21
35	24.11	19.26
36	20.00	

(a) In the event the Basic Lease Rate Factor is increased, pursuant to the tax indemnification provisions set forth in Section 15 of the Lease, Casualty Values and Termination Values will be adjusted accordingly.

EQUIPMENT LEASE

Dated as of September 1, 1977

Between

FIRST SECURITY BANK OF UTAH, N.A.
not in its individual capacity,
but solely as trustee under a
Master Trust Agreement dated as of
October 1, 1976 between it and
Itel Capital Services Corporation,
as Lessor

and

CELANESE CORPORATION,
as Lessee

Table of Contents

<u>Section</u>	<u>Subject</u>	<u>Page</u>
Section 1	Definitions; Construction of References	1
Section 2	Lease of Equipment	3
Section 3	Term and Rent	3
Section 4	Net Lease	4
Section 5	Return of Equipment	5
Section 6	Warranties of the Lessor	5
Section 7	Liens	6
Section 8	Taxes	6
Section 9	Use, Maintenance and Operation; Identifying Marks	7
Section 10	Inspection	9
Section 11	Loss or Destruction; Requisition of Use	9
Section 12	Insurance	11
Section 13	Indemnification	12
Section 14	Sublease	13
Section 15	Tax Indemnification	13
Section 16	Events of Default	16
Section 17	Remedies	17
Section 18	Voluntary Termination	18
Section 19	Right of First Refusal	19
Section 20	Representations, Warranties and Covenants of the Lessee	20
Section 21	Notices	22
Section 22	Amendments and Miscellaneous	23

<u>Exhibit</u>	<u>Subject</u>
Exhibit A	Description of Equipment
Exhibit B	Form of Certificate of Acceptance
Exhibit C	Specific Terms
Exhibit D	Casualty and, if applicable, Termination Values

EQUIPMENT LEASE

THIS EQUIPMENT LEASE, dated as of the date set forth in Exhibit C hereto (the Lease), between FIRST SECURITY BANK OF UTAH, N.A., a national banking association, not in its individual capacity, but solely as trustee (the Lessor) under a Master Trust Agreement dated as of October 1, 1976 between it and Itel Capital Services Corporation, and the entity named as "Lessee" on the signature page hereof (the Lessee).

W I T N E S S E T H :

SECTION 1. Definitions; Construction of References.

In this Lease, unless the context otherwise requires:

(a) All references in this instrument to designated Sections and other subdivisions are to designated Sections and other subdivisions of this Lease, and the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Lease as a whole and not to any particular Section or other subdivision;

(b) The terms defined in this Section 1 or elsewhere in this Lease shall have the meanings assigned to them in this Section 1 or elsewhere and include the plural as well as the singular;

(c) Except as otherwise indicated, all the agreements or instruments hereinafter defined shall mean such agreements or instruments as the same may from time to time be supplemented or amended or the terms thereof waived or modified to the extent permitted by, and in accordance with, the terms thereof;

(d) The following terms shall have the following meanings for all purposes of this Lease:

(1) Basic Rent, Supplemental Rent and Rent shall have the meanings set forth in Section 3 hereof.

(2) Beneficiary, Daily Lease Rate Factor, Rent Commencement Date, Basic Rent Dates, Basic Lease Rate Factor, Expiration Date, First Delivery Date, Final Delivery Date, Interim Rent Date, First Basic Rent Date, Last Basic Rent Date, Depreciable Life, Depreciation Method, Salvage Value, Overdue Rate, Return of Equipment and Equipment Marking shall have the meanings with respect to each Group of Equipment set forth in Exhibit C hereto.

(3) Business Day shall have the meaning set forth in the Participation Agreement.

(4) Casualty Value and, if such term shall be applicable to this Lease, Termination Value shall have the meanings with respect to each Group of Equipment set forth in Exhibit D hereto.

(5) Certificate of Acceptance shall mean a certificate of acceptance substantially in the form of Exhibit B hereto.

(6) Closing Date shall have the meaning set forth in the Participation Agreement.

(7) Equipment, and individually an Item or Item of Equipment, shall mean the items of equipment described in Exhibit B hereto.

(8) First Termination Date, if such term shall be applicable to this Lease, shall have the meaning with respect to each Group of Equipment set forth in Exhibit C hereto.

(9) Group of Equipment and Lessor's Cost shall have the meanings set forth in the Certificate of Acceptance with respect to each Item of Leased Equipment.

(10) Indenture shall mean the Trust Indenture dated as of October 1, 1976 between United States Trust Company of New York, a New York corporation, not in its individual capacity, but solely as trustee thereunder (the Trustee), and the Lessor.

(11) Leased Equipment, and individually an Item of Leased Equipment, shall have the meanings set forth in Section 2 hereof.

(12) Notes shall mean those promissory notes defined as Notes in the Participation Agreement issued in connection with the purchase of the Leased Equipment.

(13) Participation Agreement shall mean the agreement, dated as of the date hereof, among the Lessee, the Lessor, the Trustee, each Beneficiary and each entity named therein as Interim Lender or Long-Term Lender.

(14) Purchase Documents shall mean those documents defined as Purchase Documents in the Participation Agreement.

(15) Supplement shall mean each supplement to the Indenture creating a separate series of the Notes.

SECTION 2. Lease of Equipment.

Subject to the terms and conditions of this Lease, the Lessor hereby agrees to lease to the Lessee and the Lessee hereby agrees to lease from the Lessor such Items of Equipment as shall be described in one or more Certificates of Acceptance executed and delivered on behalf of the

Lessor with respect thereto and as shall have been delivered and accepted on or after the First Delivery Date but on or before the Final Delivery Date (Leased Equipment, and individually an Item of Leased Equipment). Subject to the provisions of the Participation Agreement, upon delivery of each Item of Equipment to the Lessor, the Lessee will cause an authorized representative of the Lessee to inspect the same and, if such Item of Equipment is found to be in good order, to accept such Item of Equipment and to execute and deliver a Certificate of Acceptance with respect thereto, whereupon, but also subject to the provisions of the Participation Agreement, such Item of Equipment shall be deemed to have been delivered to and accepted by the Lessee and shall be subject to the terms and conditions of this Lease. Notwithstanding the delivery of the Items of Equipment to, and their possession and use by, the Lessee, the Lessor shall and does hereby retain all legal title to and property in the Leased Equipment, it being expressly understood that this agreement is an agreement of lease only.

SECTION 3. Term and Rent.

(a) The term of this Lease as to each Item of Leased Equipment included in a Group of Equipment shall begin on its date of acceptance, as set forth in the Certificate of Acceptance executed and delivered with respect thereto, and shall end on the Expiration Date with respect to such Group of Equipment, unless this Lease shall have been terminated by the terms hereof.

(b) The Lessee shall pay to the Lessor as Basic Rent (herein referred to as Basic Rent) for each Item of Leased Equipment subject to this Lease, the following:

(1) on the Interim Rent Date, an amount equal to the Daily Lease Rate Factor, if any, multiplied by the Lessor's Cost of such Item, for each day elapsed from and including the Rent Commencement Date with respect to such Item to but excluding the Interim Rent Date;

(2) on the First Basic Rent Date, an amount equal to the Basic Lease Rate Factor, multiplied by the Lessor's Cost of such Item; and

(3) on each Basic Rent Date thereafter to and including the Last Basic Rent Date, an amount equal to the Basic Lease Rate Factor, multiplied by the Lessor's Cost of such Item.

(c) The Lessee shall pay to the Lessor the following amounts (herein referred to as Supplemental Rent and, together with all Basic Rent, as Rent):

(1) on demand, any amount payable hereunder (other than Basic Rent, Casualty Value and Termination Value, if any) which the Lessee assumes the obligation to pay, or agrees to pay, under this Lease to the Lessor or others;

(2) on the date provided herein, any amount payable hereunder as Casualty Value or Termination Value, if any; and

(3) to the extent permitted by applicable law, interest (computed on the basis of a 360-day year of twelve 30-day months) at the Overdue Rate on any payment of Basic Rent, Casualty Value or Termination Value, if any, not paid when due for any period for which the same shall be overdue and on any payment of Supplemental Rent (including, without limitation, interest payable under this clause (3), but excluding payments of Casualty Value or Termination Value, if any) not paid when demanded hereunder for the period from the date of such demand until the date on which the same shall be paid.

(d) Subject to the provisions of the Participation Agreement, all payments of Rent hereunder shall be made so that the Lessor shall have immediately available funds on the date payable hereunder, by 12:00 noon New York time, and shall be paid to the Lessor at its address set forth herein or at such other address as the Lessor may direct by notice in writing to the Lessee.

SECTION 4. Net Lease.

This Lease is a net lease and the Lessee acknowledges and agrees that the Lessee's obligation to pay all Rent hereunder, and the rights of the Lessor in and to such Rent, shall, subject in all events to the Lessor's covenant of quiet enjoyment set forth in this Section 4, be absolute and unconditional and shall not be subject to any abatement, reduction, set-off, defense, counterclaim or recoupment (Abatements) for any reason whatsoever, including, without limitation, Abatements due to any present or future claims of the Lessee against the Lessor under this Lease or otherwise, or against the manufacturer or seller of any Item of Leased Equipment. Except as otherwise expressly provided herein, this Lease shall not terminate, nor shall the respective obligations of the Lessor or the Lessee be affected, by reason of any defect in or damage to, or any loss or destruction of, the Leased Equipment or any Item thereof from whatsoever cause, or the interference with the use thereof by any private person, corporation or governmental authority, or the invalidity or unenforceability or lack of due authorization of this Lease or lack of right, power or authority of the Lessor to enter into this Lease, or for any other cause, whether similar or dissimilar to the foregoing, any present or future law or regulation to the contrary notwithstanding, it being the express intention of the Lessor and the Lessee that all Rent payable by the Lessee hereunder shall be, and continue to be, payable in all events unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. Notwithstanding anything to the contrary contained herein, but without limiting the foregoing, the Lessor hereby covenants that so long as no Event of Default has occurred under this Lease, the Lessee shall and may quietly have, hold and enjoy the use of the Leased Equipment and every part thereof for the term of this Lease, free from

repossession or disposition by: (i) any Beneficiary, (ii) the Interim Lender (as defined in the Participation Agreement) or any Long-Term Lender (as defined in the Participation Agreement), (iii) anyone successfully prevailing on a claim through or under any Beneficiary, the Interim Lender or any Long-Term Lender as a result of any negligent act or omission by such Beneficiary, the Interim Lender or such Long-Term Lender, (iv) the Lessor acting pursuant to instructions from any Beneficiary or (v) the Trustee acting pursuant to instructions from the Interim Lender or any Long-Term Lender.

SECTION 5. Return of Equipment.

(a) Upon the expiration or termination of this Lease with respect to a Group of Equipment, the Lessee, at its own expense, will return the Items of Leased Equipment then subject to this Lease which are included in such Group of Equipment to the Lessor in the condition in which such Leased Equipment is required to be maintained pursuant to Section 9 hereof and, except as otherwise provided in the succeeding paragraph (b), pursuant to the instructions set forth under the heading "Return of Equipment" in Exhibit C to this Lease. Such Leased Equipment, upon redelivery pursuant hereto, shall be free and clear of all mortgages, liens, security interests, charges, encumbrances and claims, relating to ownership or otherwise (Liens), other than Liens which result from claims against the Lessor which do not result or arise from the failure of the Lessee to perform any of its obligations hereunder (Lessor's Liens).

(b) Upon the termination of this Lease in accordance with Section 17 hereof, the Lessee, at its own cost, expense and risk shall (a) forthwith and in the usual manner (including, without limitation, giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any Item has been interchanged, to return such Item so interchanged) place the Leased Equipment upon such storage tracks as the Lessor may reasonably designate, (b) permit the Lessor to store the Leased Equipment on such tracks at the risk of the Lessee without charge for insurance, rent or storage until the Leased Equipment shall have been sold, leased or otherwise disposed of by the Lessor and (c) transport the Leased Equipment to any connecting carrier for shipment, all as directed by Lessor. During any such storage period, the Lessee's obligations under Sections 9, 10 and 12 shall remain in full force and effect notwithstanding the termination of this Lease.

SECTION 6. Warranties of the Lessor.

(a) The Lessor represents and warrants it has received whatever title was conveyed to it by the manufacturer or seller of each Item of Leased Equipment and that the Leased Equipment shall be free of Liens which may result from claims against the Lessor not related to the ownership of the Leased Equipment.

(b) The warranties set forth in paragraph (a) of this Section

are in lieu of all other warranties of the Lessor, whether written, oral or implied with respect to this Lease or the Leased Equipment; and the Lessor shall not be deemed to have made, and the LESSOR HEREBY DISCLAIMS ANY OTHER REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE LOCATION, DESCRIPTION, DURABILITY, DESIGN OR CONDITION OF THE LEASED EQUIPMENT, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OF THE MATERIAL OR WORKMANSHIP OF THE LEASED EQUIPMENT OR CONFORMITY OF THE LEASED EQUIPMENT TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDER OR ORDERS RELATING THERETO, NOR SHALL THE LESSOR BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING STRICT LIABILITY IN TORT), but the Lessor authorizes the Lessee, at the Lessee's expense, to assert for the Lessor's account, during the term of this Lease, so long as no Event of Default shall have occurred hereunder and be continuing, all of the Lessor's rights under any applicable manufacturer's or seller's warranty and the Lessor agrees to cooperate with the Lessee in asserting such rights; provided, however, that the Lessee shall indemnify and shall hold the Lessor harmless from and against any and all claims, and all costs, expenses, damages, losses and liabilities incurred or suffered by the Lessor in connection with, as a result of, or incidental to, any action by the Lessee pursuant to the above authorization. Any amount received by the Lessee as payment under any such warranty shall be applied to restore the Leased Equipment to the condition required by Section 9 hereof, with the balance of such amount, if any, to be paid over to the Lessor.

SECTION 7. Liens.

The Lessee will not directly or indirectly create, incur, assume or suffer to exist any Liens on or with respect to the Leased Equipment, the Lessor's title thereto or any interest therein (and the Lessee will promptly, at its own expense, take such action as may be necessary duly to discharge any such Lien), except (a) the respective rights of the Lessor and the Lessee as herein provided, (b) Lessor's Liens, (c) Liens for taxes either not yet due or being contested in good faith and by appropriate proceedings, if counsel for the Lessor shall have determined that the nonpayment of any such tax or the contest of any such payment in such proceedings do not, in the opinion of such counsel, adversely affect the title, property, or rights of the Lessor, (d) inchoate materialmen's, mechanics', workmen's, repairmen's, employees' or other like Liens arising in the ordinary course of business of the Lessee and not delinquent, and (e) Liens granted by the Lessor to any assignee or security assignee of the Lessor.

SECTION 8. Taxes.

The Lessee agrees to pay and to indemnify the Lessor for, and hold the Lessor harmless from and against, all income, franchise, sales, use, personal property, ad valorem, value added, leasing, leasing use, stamp or other taxes, levies, imposts, duties, charges, or withholdings of any nature, together with any penalties, fines or interest thereon

(Impositions), arising out of the transactions contemplated by this Lease and imposed against the Lessor, the Lessee or the Leased Equipment by any federal, state, local or foreign government or taxing authority upon or with respect to the Leased Equipment or upon the sale, purchase, ownership, delivery, leasing, possession, use, operation, return or other disposition thereof, or upon the rentals, receipts or earnings arising therefrom, or upon or with respect to this Lease (excluding, however, any taxes to the extent such taxes are measured by the net income of the Lessor and fines and penalties on or measured by such taxes, but not excluding such taxes if imposed by a jurisdiction outside of the United States by reason of any of the Leased Equipment being used in such jurisdiction) unless, and only to the extent that, the Lessee shall have given to the Lessor prompt written notice of any such Imposition, which notice shall state that such Imposition is being contested by the Lessee in good faith and by appropriate proceedings and counsel for the Lessor shall have determined that the nonpayment thereof or the contest thereof in such proceedings does not, in the opinion of such counsel, adversely affect the title, property or rights of the Lessor. In no event shall the Lessee be required to make any payment under this Section 8 with respect to any income tax imposed by a jurisdiction outside the United States, in an amount which would cause the net return of any Beneficiary to exceed that which would have obtained had such income tax not been imposed. If a claim is made against the Lessee or the Lessor for any Imposition, the party receiving notice of such claim shall promptly notify the other. In case any report or return is required to be made with respect to any obligation of the Lessee under this Section 8 or arising out of this Section 8, the Lessee will either (after notice to the Lessor) make such report or return in such manner as will show the ownership of the Leased Equipment in the Lessor and send a copy of such report or return in such manner as shall be satisfactory to the Lessor. The Lessor agrees to cooperate fully with the Lessee in the preparation of any such report or return. The Lessee shall not be responsible for any governmental fines or penalties which are imposed as the result of a knowing failure by the Lessor, the Interim Lender or any Long-Term Lender to take reasonable action or to furnish reasonable cooperation to the Lessee specified in a written request delivered by the Lessee to the Lessor, the Interim Lender or such Long-Term Lender, as the case may be, which prevents the Lessee from diligently fulfilling its obligations under this Section 8. The Lessee shall pay the reasonable out-of-pocket expenses incurred by the Lessor, the Interim Lender or such Long-Term Lender, as the case may be, incurred in taking such action or furnishing such cooperation.

SECTION 9. Use, Maintenance and Operation; Identifying Marks.

(a) The Lessee agrees that the Leased Equipment will be used, or is intended for use, in connection with interstate commerce and will be used in compliance with any and all statutes, laws, ordinances and regulations of any governmental agency applicable to the use of the Leased Equipment, and, subject to the provisions of Section 14 hereof, will at all times be used solely in the conduct of its business and be and remain in

the possession and control of the Lessee within the geographic limits of the continental United States; provided, however, that the Lessee may use or permit the use of Items of Leased Equipment having an aggregate Lessor's Cost not in excess of 15% of the aggregate Lessor's Cost of all Leased Equipment then subject to this Lease, outside the geographic limits of the continental United States in interchange in the normal course of its business. Throughout the term of this Lease, the possession, use and maintenance of the Leased Equipment shall be at the sole risk and expense of the Lessee.

(b) The Lessee shall use the Items of Leased Equipment only in the manner for which they were designed, or in any other manner which does not accelerate the wear and tear that would be expected were such Items used in the manner for which they were designed, and will, at its own cost and expense, repair and maintain each Item of Leased Equipment so as to keep it in good operating order, repair and condition.

(c) The Lessee shall be entitled from time to time during the term of this Lease, to acquire and install on any Item of Leased Equipment at the Lessee's expense, such additional features or options as may be available at such time with respect to such Item, and such additional features and options shall not be considered accessions to such Item and title thereto shall remain in the Lessee except as provided in the last sentence of this paragraph (c). Such additional features or options shall be removed by the Lessee before such Item is returned to the Lessor, and the Lessee shall repair all damage to such Item resulting from such installation and removal so as to restore such Item to the condition in which it existed prior to the installation of such additional features or options. Any such additional features and options not so removed shall be considered accessions to such Item and shall become the property of the Lessor.

(d) The Lessee will not, without the prior written consent of the Lessor, which consent shall not be unreasonably withheld and which consent shall not be withheld if such accessory, equipment or device is required by applicable law or governmental regulation, affix or install any accessory, equipment or device on any Item of Leased Equipment leased hereunder which will either impair the originally intended function or use of any such Item or constitute an improvement or addition to such Item of Leased Equipment which is not, within the meaning of any law, regulation or procedure then in effect, readily removable without causing material damage to such Item of Leased Equipment. Only such accessories, equipment and devices which are not readily removable without material damage shall upon attachment or affixation become the property of the Lessor and thereupon all such accessories, equipment and devices shall, without any charge to the Lessor, become a part of the Leased Equipment leased hereunder, but shall not, as between the Lessor and the Lessee, constitute additional Rent to the Lessor. The replaced parts shall no longer be the property of the Lessor.

(e) The Lessee agrees, at its own cost and expense, to (1) cause

each Item of Leased Equipment to be kept numbered with the identification or serial number therefor as specified in the Certificate of Acceptance therefor and (2) maintain the Equipment Marking on each Item of Leased Equipment and such other markings as from time to time may be required by law or otherwise deemed necessary by the Lessor in order to protect the title of the Lessor to such Item of Equipment, the rights of the Lessor under this Lease and the Lien granted by the Lessor in financing the Lessor's Cost of the Leased Equipment. The Lessee will not place any Item of Leased Equipment in operation or exercise any control or dominion over the same until such Equipment Marking has been placed thereon. The Lessee will replace promptly any such Equipment Marking which may be removed, defaced or destroyed. The Lessee agrees that each Item of Leased Equipment is, and shall continue to be throughout the term of this Lease, personal property under applicable law and the Lessee agrees to take such action as shall be required from time to time by the Lessor to protect the Lessor's title to each such Item and the right of the Lessor to remove the same.

SECTION 10. Inspection.

The Lessor shall have the right, but not the duty, to inspect the Leased Equipment. Upon the request of the Lessor, the Lessee shall confirm to the Lessor the location of each Item of Leased Equipment and shall, at any reasonable time, make the Leased Equipment and the Lessee's records pertaining to the Leased Equipment, available to the Lessor for inspection.

SECTION 11. Loss or Destruction; Requisition of Use.

(a) In the event that any Item of Leased Equipment shall be or become materially damaged or worn out, destroyed, lost, stolen, or permanently rendered unfit for use for any reason whatsoever, or title thereto shall be requisitioned or otherwise taken by any governmental authority under power of eminent domain or otherwise (Requisition of Use), or any Item of Leased Equipment is returned to the manufacturer or seller thereof pursuant to the patent indemnity provisions of the Purchase Documents, such fact shall promptly be reported by the Lessee to the Lessor.

(b) The Lessee shall determine, within 120 days after the date of occurrence of any such damage or wearing out, whether such Item of Leased Equipment can be economically repaired or replaced.

(c) In the event Lessee determines that such Item cannot be economically repaired or replaced or in the event of such destruction, loss, theft, unfitness for use, Requisition of Use for a stated period which exceeds the term of this Lease, or return of such Item to the manufacturer or seller thereof without indication from such manufacturer or seller that such Item will be replaced (any of such occurrences being referred to as an Event of Loss), the Lessee shall promptly notify the Lessor of such Event of Loss. On the Basic Rent Date next following the date of such Event of Loss, the Lessee shall pay to the Lessor the Casualty Value of such Item, determined as of such Basic Rent Date, together with

any Rent then due. Should such Event of Loss occur after the Last Basic Rent Date but before such Item shall have been returned in the manner provided in Section 5 hereof, the Lessee shall promptly notify the Lessor of such occurrence and pay to the Lessor, within 30 days of such Event of Loss, an amount equal to the Casualty Value of such Item, determined as of the Last Basic Rent Date. In the event the Lessee determines that such Item can be repaired or replaced, the Lessee shall continue to make all payments of Basic Rent due with respect to such Item and shall (1) cause such Item to be repaired or replaced within 120 days after the occurrence of such damage or wearing out, and (2) in the event of replacement, take such action (other than the execution and filing of a Uniform Commercial Code financing statement) as may be required under and pursuant to the Indenture to perfect, protect and preserve any security interests created by the Lessor under and pursuant to the Indenture; provided, however, that if the Lessee shall, within such 120-day period, have commenced the repair or replacement of such Item and be diligently pursuing such repair or replacement, but is prevented from completing such repair or replacement within such 120-day period due to causes beyond the Lessee's control, then the time for repair or replacement shall be extended by the number of days necessary to complete such repair or replacement up to a maximum of 90 additional days, and further, provided, that if the Lessee shall fail to repair or replace such Item within such repair or replacement period (including any extension thereof) an Event of Loss shall be deemed to have occurred and the Lessee shall, on the Basic Rent Date next following the end of such repair or replacement period, pay to the Lessor the Casualty Value of such Item, determined as of such Basic Rent Date, together with any Rent then due. If at the end of such repair or replacement period such Event of Loss is deemed to have occurred, and no more Basic Rent is or will become payable under this Lease, the Casualty Value, determined as of the Last Basic Rent Date, shall be paid within 30 days following the end of such repair or replacement period. The obligation of the Lessee to pay Rent during the above-described replacement or repair period shall remain in full force and effect. Notwithstanding the foregoing, the Lessee, pursuant to the provisions of Section 15 hereof, shall still be required to indemnify the Lessor for any Loss, as defined in Section 15 hereof, due to the Lessee's act of replacing an Item of Leased Equipment authorized hereby. Upon making such Casualty Value payment in respect of such Item and all Rent due and owing with respect thereto, the Lessee's obligation to pay further Basic Rent for such Item shall cease, but the Lessee's obligation to pay Supplemental Rent, if any, for such Item, and to pay rent for all other Items of Leased Equipment shall remain unchanged. Except in the case of loss, theft, destruction, or return to the manufacturer or seller, the Lessor shall be entitled to recover possession of such Item, unless possession of such Item is required to be delivered to an insurance carrier (other than the Lessee) in order to settle an insurance claim arising out of the Event of Loss. The Lessor shall be entitled to retain any salvage value collected by such insurance carrier in excess of the amount paid to the Lessor by said insurance carrier. The Lessor shall be under no duty to the Lessee to pursue any claim against any person with respect to loss or damage with respect to any Item of Leased Equipment repaired or replaced by the Lessee, but the Lessee may at its own cost and expense pursue the same on behalf of the Lessor in such manner as shall be reasonably satisfactory

(b) Notwithstanding anything to the contrary contained herein, the Lessee represents, warrants and covenants that (i) at the time of its acceptance in accordance with Section 2 hereof, the Leased Equipment will constitute "new section 38 property" within the meaning of section 48(b) of the Code and will not have been used by any person so as to preclude "the original use of such property" within the meaning of sections 48(b) and 167(c)(2) of the Code from commencing with the Lessor; (ii) at all times during the term of this Lease, the Leased Equipment will constitute "section 38 property" within the meaning of section 48(a) of the Code; (iii) the Lessee and the consolidated federal taxpayer group of which it is a member will file their tax returns and maintain their books and financial statements consistent with the provisions of Section 15(a) hereof; (iv) neither the Lessee nor any corporation controlled by it, in control of it, or under common control with it, directly or indirectly, will at any time take any action to jeopardize the tax benefits anticipated by the Lessor pursuant to Section 15(a) hereof; (v) a reasonable estimate (as this term is used by the Internal Revenue Service Revenue Procedure 75-21) of the Fair Market Value of the Leased Equipment at the end of the term of this Lease is that it will be at least 20% of its original cost and that a reasonable estimate of the remaining useful life of the Leased Equipment at the end of the term of this Lease is that it will be at least 20% of the total useful life of the Leased Equipment; and (vi) the Lessee shall take all actions and execute such documents as may be reasonable or necessary to facilitate the accomplishment of the intent hereof.

(c) If the Lessor shall lose, shall not have or shall lose the right to claim, or if there shall be disallowed or recaptured with respect to the Lessor, all or any portion of the Interest Deduction or the Depreciation Deduction as is provided to an owner of property with respect to any Item of Leased Equipment or if there is any amendment or modification in the Code, enacted or effective prior to January 1, 1979, which results in a change in the federal tax rates for corporations, (Loss), then the Basic Lease Rate Factor applicable to such Item of Leased Equipment shall, on and after the next succeeding Basic Rent Date, after written notice to the Lessee by the Lessor that a Loss has occurred, be increased by such amount for such Item which, in the reasonable opinion of the Lessor, will cause the Lessor's net return (calculated on the same basis as, and using the same methods employed in, the Lessor's original calculation of net return) over the term of the Lease in respect of such Item to equal the net return that would have been available if the Lessor had been entitled to the utilization of all of the Interest Deduction and the Depreciation Deduction with respect to such Item or if the federal income tax rates for corporations had not been so changed, and the Lessee shall forthwith pay to the Lessor the amount of any interest which may be assessed by the United States or any State against the Lessor attributable to the Loss. The Beneficiary shall furnish the Lessee with documentation reasonably requested by the Lessee detailing such Loss, together with the computation of the amount of any increase in the Basic Lease Rate Factor attributable thereto.

(d) For purposes of this Section 15, a Loss shall occur upon the earliest of (1) the happening of any event (such as a disposition or change in the use of any Item of Leased Equipment) which may cause such Loss, (2) the payment by the Lessor to the Internal Revenue Service of the tax increase resulting from such Loss, or (3) the adjustment of the tax return of the Lessor to reflect such Loss. With respect to any Item of Leased Equipment, the Lessor shall be responsible for, and shall not be entitled to a payment under the preceding paragraph (c) on account of, any Loss due to one or more of the following events: (i) a disqualifying disposition due to the sale of such Item of Leased Equipment or the lease thereof by the Lessor prior to any default by the Lessee, or (ii) a failure of the Lessor to timely or properly claim the Interest Deduction or Depreciation Deduction for such Item of Leased Equipment in the tax return of the Lessor, or (iii) a disqualifying change in the nature of the Lessor's business or the liquidation thereof, or (iv) a foreclosure by any person holding through the Lessor of a lien on such Item of Leased Equipment, which foreclosure results solely from an act of the Lessor, or (v) any event which by the terms of this Lease requires payment by the Lessee of the Casualty Value or Termination Value of such Item, if such Casualty Value or Termination Value is thereafter actually paid by the Lessee, to the extent that such payment reimburses the Lessor for amounts otherwise payable by the Lessee pursuant to this Section 15, (vi) the failure of the Lessor to have sufficient taxable income against which to apply such Depreciation Deduction or Interest Deduction or (vii) any event other than an act, failure to act or misrepresentation on the part of the Lessee.

(e) In the event and to the extent that the cost of any improvement or addition (Capital Expenditure) to any Item of Leased Equipment made by the Lessee, is required to be included in the gross income of the Lessor for federal income tax purposes, then the Lessee shall pay to the Lessor on each Basic Rent Date thereafter, commencing with the first Basic Rent Date following the date on which the Lessee is required to furnish written notice of such inclusion to the Lessor pursuant to the succeeding paragraph (f), such amount which (after deduction of all taxes required to be paid by the Lessor on receipt thereof under the laws of the United States or any political subdivision thereof), when taken together with the amount of Basic Rent due on each such date will, in the reasonable opinion of the Lessor, cause the Lessor's net return (calculated on the same basis as, and using the same methods employed in, the Lessor's original calculation of net return) over the term of the Lease in respect of such Item to equal the net return that would have been available if the cost of such Capital Expenditure had not been includable in the Lessor's gross income, and the Casualty Values and Termination Values payable with respect to such Item shall be adjusted in amounts calculated in a similar such manner by the Lessor. The Beneficiary shall furnish the Lessee with documentation reasonably requested by the Lessee detailing such requirement of inclusion, together with the computation of the amount of any increase in the Basic Lease Rate Factor, the Casualty Values or the Termination Values attributable thereto.

(f) For purposes of the preceding paragraph (e), the cost of any Capital Expenditure made by the Lessee shall be deemed to be "required to

be included in the gross income of the Lessor for federal income tax purposes", if such inclusion is required by (i) any private ruling letter issued to the Lessor by the Internal Revenue Service that has not been revoked or otherwise rendered inapplicable at the time the cost of such Capital Expenditure is incurred, (ii) any provision of the Code or the applicable regulations thereunder, or (iii) any published revenue ruling or revenue procedure of the Internal Revenue Service which has not been held invalid by a court having ultimate appellate jurisdiction over the federal income tax liability of the Lessor. The Lessee shall, within 30 days after December 31 (or, if the Lessee's fiscal year end occurs on some other date, within 30 days of such other date) in each year in which the Lessee has made any Capital Expenditure which is required to be included in the gross income of the Lessor for federal income tax purposes, give written notice thereof to the Lessor describing such Capital Expenditure in reasonable detail and specifying the cost thereof.

(g) All of the Lessor's rights and privileges arising from the indemnities contained in this Section 15 shall survive the expiration or other termination of this Lease with respect to any or all Items of Leased Equipment and such indemnities are expressly made for the benefit of and shall be enforceable by the Lessor, its successors and assigns.

SECTION 16. Events of Default.

The term Event of Default, wherever used herein, shall mean any of the following events which shall have occurred and be continuing (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or come about or be affected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) The Lessee shall fail to make any payment of Rent within 10 days after having received written notice that the same is due and has not been paid; or

(b) The Lessee shall fail to perform or observe any other covenant, condition, or agreement to be performed or observed by it under this Lease or any agreement, document or certificate delivered by the Lessee in connection herewith, and such failure shall continue for 20 days after written notice thereof from the Lessor to the Lessee; or

(c) Any representation or warranty made by the Lessee in this Lease or the Participation Agreement or in any document or certificate furnished to the Lessor in connection herewith shall prove to have been incorrect in any material respect when any such representation or warranty was made or given; or

(d) The Lessee shall petition or apply to any tribunal for the appointment of a trustee, receiver or liquidator of the Lessee, or of any Item of Equipment or of any substantial part of the assets of the Lessee,

or shall commence any proceedings relating to the Lessee under any bankruptcy, insolvency, reorganization, compromise, arrangement, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect; or any such petition or application shall be filed, or any such proceedings shall be commenced, against the Lessee, and the Lessee by any act shall indicate its approval thereof, consent thereto, or acquiescence therein; or an order, judgment or decree shall be entered appointing any such trustee, receiver or liquidator, or approving a petition in any such proceedings and such order, judgment or decree shall remain unstayed and in effect for more than 60 days; or

(e) The Lessee shall be in default under any material obligation for the payment of borrowed money or for the deferred purchase price of, or for the payment of any rent under any lease agreement covering, material real or personal property, and the applicable grace period with respect thereto shall have expired and the obligations shall not be contested in good faith and, in the case of a default prior to the final maturity of such obligation, the effect of such default is to accelerate the maturity of such obligation or to permit the obligee to accelerate the maturity thereof; or

(f) The Lessee shall remove, sell, transfer, encumber, part with possession of, assign or sublet (except as expressly permitted by the provisions of this Lease) any Item of Leased Equipment.

SECTION 17. Remedies.

(a) Upon the occurrence of any Event of Default, the Lessor may, at its option, declare this Lease to be in default by written notice to such effect given to the Lessee, and at any time thereafter, the Lessor may exercise one or more of the following remedies, as the Lessor in its sole discretion shall lawfully elect:

(1) Proceed by appropriate court action, either at law or in equity, to enforce performance or observance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof;

(2) By notice in writing terminate this Lease, whereupon all rights of the Lessee to the use of the Leased Equipment shall absolutely cease and terminate but the Lessee shall remain liable as hereinafter provided; and thereupon the Lessee, if so requested by the Lessor, shall at the Lessee's expense promptly return the Leased Equipment to the possession of the Lessor at the place and in the condition required upon the return thereof pursuant to and in accordance with Section 5 (b) hereof, or the Lessor, at its option, may enter upon the premises where the Leased Equipment is located and take immediate possession of and remove the same by summary proceedings or otherwise. The Lessee shall, without further demand, forthwith pay to the Lessor an amount equal to any unpaid Rent due and payable for all

the Last Basic Rent Date) thereafter with respect to any Item of Leased Equipment if such Item shall have become, in the good faith opinion of the Lessee, obsolete or surplus to the Lessee's requirements or substandard in design or capacity. Such termination shall be effective on the Basic Rent Date specified in such notice (hereinafter called the Termination Date). During the period from the giving of such notice until the Termination Date, the Lessee, as agent for the Lessor, shall use its best efforts to obtain bids for the purchase of such Item. The Lessee shall certify to the Lessor in writing the amount of each bid received by the Lessee and the name and address of the party (who shall not be the Lessee or any person, firm or corporation affiliated with the Lessee) submitting such bid. The Lessee may utilize agents for purposes of fulfilling its obligations set forth in this Section 18. On the Termination Date, the Lessor shall sell such Item "as is, where is", without recourse or warranty, for cash, to whomsoever shall have submitted the highest bid prior to such date, and thereupon the Lessee shall deliver such Item so sold to the purchaser in the condition specified in this Lease. If no sale of such Item takes place on the Termination Date, this Lease shall continue in full force and effect as to such Item.

(b) The total sale price realized at any such sale shall be retained by the Lessor, and, in addition, the Lessee shall pay to the Lessor the amount of Basic Rent due on such Basic Rent Date, plus the excess, if any, of (A) the Termination Value for such Item, over (B) the proceeds of such sale less all expenses incurred by the Lessor in connection with such sale or with the collection or distribution of such payment. The obligation of the Lessee to pay Basic Rent with respect to such Item (including the installment of Basic Rent due on the Termination Date) shall continue undiminished until payment of the sale proceeds and all or any portion of the Termination Value, if any, payable hereunder to the Lessor. Upon the receipt of such payment the obligation of the Lessee to pay Basic Rent hereunder with respect to such Item shall cease. The Lessor shall have the right, but shall be under no duty, to solicit bids, to inquire into the efforts of the Lessee to obtain bids, or otherwise to take any action in connection with any such sale, other than as expressly provided herein.

SECTION 19. Right of First Refusal.

(a) Provided that this Lease has not been terminated by the Lessee and provided that no Event of Default has occurred and is continuing hereunder, the Lessor agrees that, during the term of this Lease or any extension thereof and for 90 days following the expiration of the term of this Lease or any extension thereof with respect to any Item of Leased Equipment, it will not lease or sell such Item of Leased Equipment unless the Lessor shall have given the Lessee at least 40 Business Days' prior written notice of such lease or sale, specifying the rental or sale price and the terms of such lease or sale, and the Lessee shall have the opportunity during the period from the date of such notice to the fortieth business day thereafter, or to the date which is sixty-five business days prior to the expiration of this Lease, whichever is later, to lease or purchase

such Item of Leased Equipment at the same rental or price and on the same terms as specified in such notice.

(b) In the event the Lessee exercises such right of first refusal to purchase any Item of Leased Equipment, then, upon payment of the purchase price, the Lessor shall, upon request of the Lessee, execute and deliver to the Lessee, or to the Lessee's assignee or nominee, a bill of sale (without representations or warranties except that such Item of Leased Equipment is free and clear of all claims, liens, security interests and other encumbrances by or in favor of any person claiming by, through or under the Lessor) for such Item of Leased Equipment, and such other documents as may be required to release such Item of Leased Equipment from the terms and scope of this Lease and to transfer title thereto to the Lessee or such assignee or nominee, in such form as may reasonably be requested by the Lessee, all at the Lessee's expense.

SECTION 20. Representations,
Warranties and Covenants of the Lessee.

The Lessee represents, warrants and covenants as follows:

(a) Corporate Organization and Power. The Lessee is a corporation duly organized and validly existing in good standing under the laws of the jurisdiction of its incorporation, is duly qualified to do business in each jurisdiction in which, in the opinion of the Lessee and its counsel, its ownership or lease of property or the conduct of its business requires such qualification, and has full corporate power and authority to hold property under lease and to enter into and perform its obligations under the Participation Agreement and this Lease.

(b) Execution and Delivery of Documents. The execution, delivery and performance by the Lessee of the Participation Agreement, this Lease and any Purchase Documents to which the Lessee is a party have been duly authorized by all necessary corporate action on the part of the Lessee, are not inconsistent with its Certificate of Incorporation or By-Laws, do not contravene any law or governmental rule, regulation or order applicable to the Lessee, do not and will not contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument to which the Lessee is a party or by which it is bound, and, upon execution and delivery hereof and thereof, the Participation Agreement, this Lease and each Purchase Document to which the Lessee is a party will each constitute a legal, valid and binding agreement of the Lessee, enforceable in accordance with its terms, subject only to limitations as to enforceability imposed by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors rights generally.

(c) Governmental Approvals. No consent or approval of, giving of notice to, registration with, or taking of any other action in respect of, any state, Federal or other governmental authority or agency is presently required with respect to the execution, delivery and performance by

the Lessee of the Participation Agreement, this Lease or any of the Purchase Documents to which the Lessee is a party, or if any such approval, notice, registration or action is required, it has been duly given or obtained.

(d) Litigation. There are no actions, suits or proceedings pending or, to the knowledge of the Lessee, threatened against or affecting the Lessee in any court or before any governmental commission, board or authority which is likely to be adversely determined and, which, if adversely determined, will have a material adverse effect on the ability of the Lessee to perform its obligations under the Participation Agreement, this Lease or any of the Purchase Documents.

(e) Condition of the Equipment. Each Item of Leased Equipment will be new and unused on the date title thereto is acquired by the Lessor and will not have been put into use or operation by the Lessee prior to the date of acceptance set forth in the Certificate of Acceptance with respect thereto.

(f) Financial Statements. The balance sheet, statement of income and statement of changes in financial position of the Lessee for the fiscal year ended December 31, 1976, and the balance sheet, statement of income and statement of changes in financial position of the Lessee for the nine months ended September 30, 1977, have been prepared in accordance with generally accepted accounting principles and fairly present the financial position of the Lessee on and as of the dates thereof and the results of its operations for the periods covered thereby (subject, in the case of such financial statements as of September 30, 1977, to audit and year-end adjustments). Since September 30, 1977, there has been no material adverse change in the financial condition of the Lessee.

(g) Access to or Furnishing of Information. The Lessee agrees to furnish to the Lessor:

(i) within 120 days after the close of each fiscal year of the Lessee occurring after the date hereof, an audited balance sheet and statement of changes in financial position of the Lessee, or of any consolidated group of companies of which the Lessee is a member, at and as of the end of such fiscal year, together with an audited statement of income of the Lessee, or of any such consolidated group, for such fiscal year;

(ii) within 60 days after the close of each of the first three quarters of each fiscal year of the Lessee, an unaudited balance sheet and statement of changes in financial position of the Lessee, or of any such consolidated group, at and as of the end of such quarter, together with an unaudited statement of income of the Lessee, or of any such consolidated group, for such quarter;

(iii) within the period set forth in (i) above, a certificate

of an authorized officer of the Lessee (A) stating that he has reviewed the activities of the Lessee and that, to the best of his knowledge, there exists no Event of Default and no event which with the giving of notice or the lapse of time, or both, would become an Event of Default or (B) specifying each Event of Default and event which with the giving of notice or the lapse of time, or both, would become an Event of Default, then existing;

(iv) simultaneously with the distribution or mailing thereof, copies of all such financial statements, reports, notices or proxy statements as the Lessee shall distribute or mail to its shareholders; and

(v) from time to time, such other information as the Lessor may reasonably request.

(h) Merger, Sale, etc. Upon any consolidation or merger of the Lessee with or into any other corporation or corporations (whether or not affiliated with the Lessee), or successive consolidations or mergers in which the Lessee or its successor or successors shall be a party or parties, or upon any sale or conveyance of all or substantially all of the property of the Lessee to any other person, the Lessee will cause the due and punctual payment of all Rent and the due and punctual performance and observance of all covenants and obligations of the Lessee hereunder and under this Lease to be assumed by the corporation (if other than the Lessee) formed by such consolidation, or the corporation into which the Lessee shall have been merged or by the person which shall have acquired such property.

(i) ERISA. The Lessee is not entering into the Participation Agreement or this Lease, or any other transaction contemplated hereby or thereby, directly or indirectly in connection with any arrangement or understanding by it in any way involving any employee benefit plan (other than a governmental plan) with respect to which it, any Beneficiary, the manufacturer or seller of any Item of Equipment, or the Owner Trustee, in its individual capacity, or any of their affiliates is a party in interest, all within the meaning of ERISA. The Lessee agrees that it will not sublease any of the Leased Equipment to any person which is at the time a party in interest with respect to any employee benefit plan the assets of which were used by any Beneficiary, the Interim Lender or any Long-Term Lender in making its investment pursuant to this Participation Agreement, all within the meaning of ERISA.

SECTION 21. Notices.

All communications and notices provided for herein shall be in writing and shall become effective when deposited in the United States mail, with proper postage for first-class mail prepaid, addressed (a) if to the Lessor, at P.O. Box 30007, Salt Lake City, Utah 84125, Attention: Trust Department, Corporate Division (with copies to (1) Itel Capital

Services Corporation, at One Embarcadero Center, San Francisco, California 94111, Attention: Contract Administration, (2) the Trustee, at 130 John Street, New York, New York 10038, Attention: Corporation Trust and Agency Division and (3) each Beneficiary, at its address set forth in Exhibit C hereto), and (b) if to the Lessee, at its address set forth on the signature page hereof.

SECTION 22. Amendments and Miscellaneous.

(a) The terms of this Lease shall not be waived, altered, modified, amended, supplemented or terminated in any manner whatsoever except by written instrument signed by the Lessor and the Lessee; provided that no such waiver, alteration, modification, amendment or supplement shall make any change, and no termination shall be made, which is prohibited by the Indenture or any Supplement.

(b) This Lease, including all agreements, covenants, representations and warranties made herein or in any certificate delivered pursuant hereto, shall be binding upon and inure to the benefit of (1) the Lessor and its successors, assigns, agents, servants and personal representatives, namely (i) each Beneficiary, (ii) the Trustee, as assignee and secured party, and the successors, assigns, agents, servants and personal representatives of each Beneficiary and the Trustee as assignee and secured party, and (iii) any holder of obligations of the Lessor issued in connection with this Lease, and (2) the Lessee and its successors and, to the extent permitted hereby, assigns. Nothing in this Section 22(b) shall be construed to obligate the Lessee to indemnify any person for any Claim arising solely from any Abatement by the Lessee specifically permitted by Section 4 hereof.

(c) All agreements, indemnities, covenants, representations and warranties contained in this Lease or in any document or certificate delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Lease and the expiration or other termination of this Lease.

(d) Any provision of this Lease which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the Lessee hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect.

(e) This Lease shall constitute an agreement of lease and nothing herein shall be construed as conveying to the Lessee any right, title or interest in or to the Leased Equipment, except as lessee only.

(f) The single executed original of this Lease marked "Original" shall be the "Original" and all other counterparts hereof shall be marked and be "Duplicates." To the extent that this Lease constitutes chattel paper, as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction, no security interest in this Lease may be created through the transfer or possession of any counterpart other than the "Original."

(g) This Lease shall be construed in accordance with, and shall be governed by, the laws of the State of New York; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

(h) Section headings are for convenience only and shall not be construed as part of this Lease.

(i) Although this Lease is dated as of the date first above written for convenience, the actual dates of execution hereof by the parties hereto are respectively the dates set forth opposite the signatures hereto, and this Lease shall be effective on the latest of such dates.

IN WITNESS WHEREOF, the parties hereto have each caused this Lease to be duly executed by their respective officers thereunto duly authorized.

FIRST SECURITY BANK OF UTAH, N.A.,
not in its individual capacity, but
solely as trustee under a Master
Trust Agreement dated as of October
1, 1976 between it and Itel Capital
Services Corporation,
as Lessor

[Corporate Seal]

Attest:

By _____
Authorized Officer

Date _____

CELANESE CORPORATION,
as Lessee

[Corporate Seal]

Attest:

By J. J. Bigham
Vice President

Date August 31, 1978

[Signature]
Asst Secretary

Address: 1211 Avenue of the Americas
New York, NY 10036
Attention: J. J. Bigham
Vice President
and Treasurer



STATE OF UTAH,)
)
COUNTY OF SALT LAKE,) ss.:

On this the ____ day of _____, 1978, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is an Authorized Officer of First Security Bank of Utah, National Association, that one of the seals affixed to the foregoing instrument is the seal of said bank, that said instrument was signed and sealed on behalf of said bank by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

Notary Public

[Notarial Seal]

My Commission expires

STATE OF NEW YORK,)
)
COUNTY OF NEW YORK,) ss.:

On this the 31st day of August, 1978, before me personally appeared J. J. Bigham, to me personally known, who being by me duly sworn, says that he is a Vice President of CELANESE CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Paul S Holding
Notary Public

[Notarial Seal]

My Commission expires

3/30/80

DESCRIPTION OF EQUIPMENT

<u>Groups of Equipment (a)</u>	<u>Quantity (b)</u>	<u>Manufacturer</u>	<u>Description</u>
1	80	Richmond Tank Car Company	100-Ton Open-Top Hopper Cars; AAR Designation: HTS <u>Road Number: SSIX</u> <u>5002-5081</u>

(a) Except as otherwise expressly provided or as the context shall otherwise require, as used herein, in the Indenture, each Supplement and this Lease and in all certificates and other instruments delivered pursuant hereto and thereto, the terms "Group" and "Group of Equipment" shall refer to the designations described above.

(b) Equipment shall include such additional quantities of Items of Equipment specifically described above as the Lessee shall include in a Certificate of Acceptance; provided, however, that in no event shall the Maximum Financing Cost, Maximum Investment Commitment or Maximum Loan Commitment (as such terms are defined in the Related Participation Agreement) be exceeded without the express approval of each affected party.

CERTIFICATE OF ACCEPTANCE NO. ____

under

Equipment Lease dated as of September 1, 1977 (the Lease) between FIRST SECURITY BANK OF UTAH, N.A., not in its individual capacity, but solely as trustee under a Master Trust Agreement dated as of October 1, 1976 between it and Itel Capital Services Corporation as lessor (the Lessor) and CELANESE CORPORATION, as lessee (the Lessee).

1. Items of Equipment

The Lessee hereby certifies that the Items of Equipment set forth and described in Schedule 1 hereto (which Schedule includes the amount of the Lessor's Cost of each such Item), constituting Items of Equipment of the Group of Equipment indicated below, have been delivered to the location indicated below, tested and inspected by the Lessee, found to be in good order and accepted as Items of Leased Equipment under the Lease, all on the date indicated below:

Group of Equipment: 1

Date of Acceptance:

2. Representations by the Lessee

The Lessee hereby represents and warrants to the Lessor that on the Date of Acceptance with respect to each Item of Leased Equipment:

(1) the representations and warranties of the Lessee set forth in the Lease, are true and correct in all material respects on and as of such date as though made on and as of such date;

(2) the Lessee has satisfied or complied with all requirements set forth in the Participation Agreement (as defined in the Lease) and in the Lease to be satisfied or complied with on or prior to such date;

(3) no Event of Default under the Lease or event which, with the giving of notice or the lapse of time, or both, would become such an Event of Default has occurred and is continuing; and

(4) the Lessee has obtained, and there is in full force and effect, such insurance with respect to such Item of Leased Equipment required to be carried and maintained under the terms of the Lease.

CELANESE CORPORATION,
as Lessee

By _____

Dated: _____

Accepted on the Date of Acceptance
set forth in paragraph 1 above on
behalf of the Lessor:

FIRST SECURITY BANK OF UTAH, N.A.,
not in its individual capacity,
but solely as trustee under a
Master Trust Agreement dated as
of October 1, 1976 between it and
Itel Capital Services Corporation,
as Lessor

By _____
Authorized Representative

SCHEDULE 1 TO
CERTIFICATE OF ACCEPTANCE NO. _____

Description of Equipment and Lessor's Cost

<u>Quantity</u>	<u>Manufacturer or Seller</u>	<u>Description</u>	<u>Identification Number</u>	<u>Lessor's Cost</u>
-----------------	---------------------------------------	--------------------	----------------------------------	--------------------------

SSIX 50

Total Lessor's Cost \$ _____

EXHIBIT C

Group 1 Equipment
(18-year Basic Lease Term)

<u>Date of Lease:</u>	As of September 1, 1977
<u>Beneficiary:</u>	Bankers Trust Company 280 Park Avenue New York, NY 10017 Attention: Lease Financing Division
Daily Lease <u>Rate Factor:</u>	1/360th of the lesser of (i) 8.85% and (ii) 125% of the prime interest rate of Bank of America, National Trust & Savings Association (being the best per annum rate of interest charged by such Bank to its prime large commercial customers on short- term unsecured borrowings)
Rent <u>Commencement Date:</u>	The Closing Date on which the applic- able Item shall have been paid for by the Lessor
<u>Basic Rent Dates:</u>	January 15 and July 15 in each year
<u>Expiration Date:</u>	January 15, 1997
<u>First Delivery Date:</u>	January 1, 1978
<u>Final Delivery Date:</u>	December 31, 1978
<u>Interim Rent Date:</u>	January 15, 1979
First <u>Basic Rent Date:</u>	July 15, 1979
Last <u>Basic Rent Date:</u>	January 15, 1997

First <u>Termination Date:</u>	January 15, 1989
Basic <u>Lease Rate Factor:</u>	4.749%
<u>Overdue Rate:</u>	One per cent in excess of the applicable Long-Term Debt Rate set forth in the Participation Agreement
<u>Equipment Marking:</u>	In letters not less than one inch in height: "Ownership subject to a Security Agreement filed under the Interstate Commerce Act, Section 20C."
<u>Return of Equipment:</u>	The Lessee shall, at its own expense, return each Item of Leased Equipment to the Lessor at such location, within a radius of 1,000 miles of Kings Mill, Texas, as the Lessor shall select, or, if the Lessor shall make no such selection, at such rolling stock maintenance facility of ITEL Corporation as the Lessee shall select within a radius of 1,000 miles of Kings Mill, Texas.
<u>Depreciable Life:</u>	A 12-year depreciable life pursuant to section 167(m) of the Code for an asset described in Asset Guideline Class No. 00.25

Depreciation Method:

Double declining balance method and switching to the sum-of-the-years digits method without the prior consent of the Commissioner of Internal Revenue utilizing either the "modified half-year" or "half-year" convention pursuant to Reg. section 1.167(a)-11(c)-(2) and taking into account the Salvage Value of the Leased Equipment

Salvage Value:

An amount equal to 10% of the Lessor's Cost of the Leased Equipment, which amount will be reduced by 10% of the Lessor's Cost as provided in section 167(f) of the Code

(a) In the event the Basic Lease Rate Factor is increased, pursuant to the tax indemnification provisions set forth in Section 15 of the Lease, Casualty Values and Termination Values will be adjusted accordingly.

EXHIBIT D
Group 1 Equipment

The Casualty Value and Termination Value of each Item of Leased Equipment shall be the percentage of Lessor's Cost of such Item set forth opposite the applicable rent payment:

<u>Interim Rent Date and Rent Payment Number</u>	<u>Casualty Value (a)</u>	<u>Termination Value (a)</u>
Interim Rent Date	108.35 %	%
1	108.35	
2	110.08	
3	108.45	
4	109.25	
5	107.48	
6	107.48	
7	105.60	
8	104.82	
9	102.83	
10	101.37	
11	99.27	
12	97.23	
13	95.02	
14	92.56	
15	90.24	
16	87.44	
17	85.00	
18	81.91	
19	79.35	
20	76.03	73.29
21	73.34	70.47
22	69.86	66.89
23	67.02	63.91
24	63.42	60.22
25	60.43	57.08
26	56.76	53.30
27	53.63	50.02
28	49.88	46.15
29	46.60	42.71
30	42.77	38.76
31	39.34	35.15
32	35.44	31.11
33	31.85	27.34
34	27.86	23.21
35	24.11	19.26
36	20.00	